

EXHIBIT 66

Page 1

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF TEXAS
3 DALLAS DIVISION
4 PEGGY ROIF ROTSTAIN, §
5 et al., §
6 §
7 §
8 Plaintiffs, §
9 §
10 § Case No.
11 v. § 3:09-CV-2384-N-BG
12 §
13 TRUSTMARK NATIONAL §
14 BANK, et al., §
15 §
16 §
17 Defendants. §
18 §
19 §
20 §
21 §
22 §
23 Reported by:
24 SUSAN PERRY MILLER, CSR, CCR, RDR, CRR, CBC
25 JOB NO. 93134

Page 4

1 A P P E A R A N C E S, Continued:

2

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24 VIDEO TECHNICIAN:

25

26 Robert Birdsall, TSG REPORTING

27

28 ALSO PRESENT:

29

30 Emily von Qualen, Summer Intern, Skadden

31

32 --oo--

33

34

35

1 much the front line customer to Stanford.

2 Q. Okay. By "front line customer,"
3 what do you mean?

4 A. She walked in the office first.

5 Q. So when you say "walked in the
6 office first," she's the one that made the
7 decision to purchase a certificate of deposit?

8 A. The first one, yes.

9 Q. The first one, okay.

10 A. Do you know when that was?

11 A. 2006.

12 Q. Okay. In 2006, when your mother
13 purchased the first certificate of deposit,
14 did you discuss that with her?

15 A. At that time, no.

16 Q. Were you aware that she was
17 considering purchasing --

18 A. Yes.

19 Q. What conversations did you have
20 with her?

21 A. She mentioned that she was going to
22 move some of her savings into another bank.

23 Q. How much savings did she have?

24 A. At that time?

25 Q. Yeah.

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1 had in those accounts in 2006?

2 A. Specific amounts, no.

3 Q. You don't know how much she had
4 saved at all?

5 A. No.

6 Q. Do you know generally how much she
7 had?

8 A. I'd say [REDACTED].

9 Q. And you said that she thought it
10 was a good investment. Did she communicate
11 that to you at the time?

12 A. Yes.

13 Q. Did she communicate why she thought
14 it was a good investment?

15 A. Because there were already family
16 members that were customers.

17 Q. Which family members were already
18 customers?

19 A. I don't know. Specifically, I
20 don't know at that time.

21 Q. But some other family member --

22 A. From the ones I mentioned
23 previously.

24 Q. How old were you in 2006?

25 A. 18.

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1 J U R A T

2

3 I, , do hereby certify under
4 penalty of perjury that I have read the foregoing
5 transcript of my deposition taken on ;
6 that I have made such corrections as appear noted
7 herein in ink, initialed by me; that my testimony as
8 contained herein, as corrected, is true and correct.

9

10 DATED this ____ day of _____, 20_____,
11 at _____,

12

13

14

15

16

17

18

SIGNATURE OF WITNESS

19

20

21

22

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24

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44 VIDEO TECHNICIAN:

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46 Robert Birdsall, TSG REPORTING

47 --oo--

1 Q. More of a supervisory role?

2 A. No, I was only there about a year
3 and just didn't have a case come up for trial.

4 Q. All right. So after a year at
5 Geico, where did you go?

6 A. I moved to Seattle and worked in
7 the restaurant business in 1993.

8 Q. Why Seattle?

9 A. Because that's where the restaurant
10 was.

11 Q. And what type of restaurant was it?

12 A. It was a Ruth's Chris Steakhouse.

13 Q. And those originated -- are you a
14 native of Louisiana?

15 A. Yes.

16 Q. Where were you born?

17 A. In New Orleans.

18 Q. And Ruth's Chris, that's a --

19 A. It started in New Orleans.

20 Q. Okay. And so you moved up to
21 Seattle to what, manage a restaurant?

22 A. Well, my family was a franchisee
23 for that restaurant.

24 Q. And when you say your family was a
25 franchisee, who are you speaking about

1 specifically?

2 A. My mother and father.

3 Q. And what was your role?

4 A. Initially I was the general

5 manager.

6 Q. And eventually, what were you?

7 A. The owner.

8 Q. 100%?

9 A. With my wife, yeah.

10 Q. And I understand you eventually

11 acquired two other of those same franchises up

12 in the Pacific northwest? Is that true?

13 A. That's correct.

14 Q. And where were those?

15 A. One was in Portland, Oregon, which

16 I opened in 1997; and the other was in

17 Bellevue, Washington, which I opened in 2002.

18 Q. And did there come a point when you

19 sold these restaurants?

20 A. Yes. I sold them back to the

21 franchisor in the fall of 2007, the

22 transaction was completed.

23 Q. What was the sales price?

24 A. REDACTED. And I need to clarify,

25 I was the franchisor -- or franchisee, general

1 A. Salary was probably about **REDACTED**

2 **REDACTED**

3 Q. Total for all three?

4 A. Uh-huh.

5 Q. That's a yes?

6 A. Yes, I'm sorry.

7 Q. Okay. Now, all of a sudden you've

8 **REDACTED**, in what year?

9 A. 2007.

10 Q. Prior to that time, did you have
11 any investments other than those three
12 restaurants?

13 A. I might have had some 401(k) money
14 from my previous jobs, or IRAs.

15 Q. Anything else?

16 A. I don't believe so.

17 Q. At the time of that sale, did you
18 have a financial advisor?

19 A. No.

20 Q. How did you first become associated
21 with what I'll just call the Stanford Group?
22 And by that, I mean all of the Stanford
23 companies. Okay?

24 A. Another Ruth's Chris franchisee who
25 had sold, prior to me selling, to the

1 franchisor, introduced me to the Stanford
2 Group in Baton Rouge, Grady Layfield.

3 Q. So you were introduced to Grady
4 Layfield?

5 A. Yes, sir.

6 Q. By whom?

7 A. By Stan Harris.

8 Q. And where had Stan Harris owned his
9 Ruth's Chris?

10 A. They had seven or eight of them.

11 Q. Whereabouts?

12 A. One in Baton Rouge, one in Memphis,
13 one in Nashville, two in Chicago, one in
14 Jacksonville, one in Ponte Vedra.

15 Q. How long had you known Mr. Harris
16 at the time he steered you toward the Stanford
17 folks?

18 A. Probably since 1993.

19 Q. By virtue of the fact you and he
20 were in the same business, franchisees?

21 A. Yes. Yes.

22 Q. And what is it that he told you
23 about the Stanford Group that made you
24 interested in going that direction?

25 A. He said they handled his finances

1 and investments. We were moving back from
2 Seattle to Louisiana in 2008, and he handled
3 his boss's financial stuff also.

4 Q. Did you do any independent looking
5 into them?

6 A. No. I met with Grady and put the
7 accounts with him.

8 Q. Okay. So prior to meeting with
9 Grady, Mr. Harris had told you that he and his
10 dad had invested with them, and you had not
11 done any independent investigation or review
12 of the Stanford companies; is that a fair
13 statement?

14 A. It was his boss, not his father.

15 Q. I'm sorry, his boss.

16 A. Yes.

17 Q. But other than that, is that a fair
18 statement?

19 A. Yes.

20 Q. Okay. Now, when you went to meet
21 with Grady, who all was in on that meeting?

22 A. I might have went to lunch with
23 Stan Harris and Grady once and then met with
24 Grady Layfield afterwards one-on-one to
25 discuss move -- investing or putting the money

1 in that --

2 Q. Do you remember anything about that
3 lunch?

4 A. Not specifically, no.

5 Q. Can you put an approximate date on
6 it? Like spring of this year, summer of that
7 year?

8 A. No, I don't -- I mean, it would
9 have been in 2007 or 2008.

10 Q. And after the lunch, about how long
11 was it before you met with Grady?

12 A. Not -- the next trip to
13 New Orleans, probably a month.

14 Q. When did you actually physically
15 move back to New Orleans?

16 A. We moved in August of 2008.

17 Q. All right. So sometime --

18 A. I would have met with Grady before
19 that.

20 Q. Okay. That's what I was getting
21 at, thank you.

22 And where did you meet him?

23 A. Either at his office or we went to
24 lunch with him.

25 Q. Don't remember which?

1 A. No.

2 Q. And can you tell us about the
3 meeting? What sort of investments were you
4 interested in?

5 A. We just discussed the managed
6 accounts, investment accounts that they
7 offered.

8 Q. And what sort of investment
9 accounts did he tell you they offered?

10 A. They offered a management brokerage
11 account where you give them the money and they
12 invest it in securities and you give them the
13 authority to buy and sell your securities.

14 Q. Did you discuss any other accounts
15 at that time?

16 A. No.

17 (Queyrouze Exhibit 21 marked.)

18 MR. REPASS: Susan informed me that
19 we were just going to keep going with
20 the exhibits from last time so we're
21 going to start with Exhibit 21 if that's
22 all right with everyone.

23 MR. SWANSON: That's fine.

24 BY MR. REPASS:

25 0. Okay. Sir, let me slide over what

1 Q. And what's your understanding of
2 what a certificate of deposit or a CD is? How
3 does that work?

4 A. You put the money in a financial
5 institution and it's locked in for a period,
6 and you get a certain rate of return.

7 Q. Now, do you recall where you would
8 have invested in CDs prior to November 2007?

9 A. No. It would have been in
10 New Orleans.

11 Q. Pardon me?

12 A. It would have been in New Orleans,
13 but I don't recall where.

14 Q. Okay. Have no idea which bank?

15 A. I don't remember which bank I would
16 have done business with at that time.

17 Q. All right. Okay.

18 A. They probably don't exist.

19 Q. You are an American citizen, right?

20 A. Yes.

21 Q. You know you're one of the named
22 class representatives in this case; you
23 understand that?

24 A. Yes.

25 Q. Are you a named class

1 representative in any other lawsuits?

2 A. I don't believe so. It's possible.

3 Well, the Bank of Antigua lawsuit.

4 Q. Yeah, that's what I was thinking.

5 You're a named rep in that one too. True?

6 A. True. Yes.

7 Q. And that's some other lawsuit going

8 on where a bunch of Stanford investors just

9 basically are complaining that the Bank of

10 Antigua and some other folks down there won't

11 release or wouldn't release money that they

12 had seized to Stanford investors. Is that a

13 fair summary of your understanding of that

14 case?

15 A. It's been a long time since I've

16 looked at it. I'd have to go back and review

17 it.

18 Q. Okay. Well, I mean, being a class

19 representative in that case, are you involved

20 in it?

21 A. I have been in the past. There

22 hasn't been any activity recently.

23 Q. Right. Well, as far as this case

24 goes, this case right here, how active have

25 you been in this?

1 A. I've been involved in it.

2 Q. Say prior to March 2nd of this
3 year, how active were you in it in the
4 previous year?

5 A. I talked to Peter Morgenstern a
6 couple of times about the case over that time
7 period. I can't recall how many times.

8 Q. Okay. From, say, March of 2014 to
9 March 2015, you can't recall in particular but
10 you think you talked to Peter Morgenstern a
11 couple of times about this case. True?

12 A. Yes.

13 Q. You don't remember any other
14 conversations with any other lawyers about
15 this case, do you?

16 A. No.

17 Q. Did you review -- do you remember
18 reviewing any documents over that year?

19 A. I can't recall.

20 Q. And what did you do to prepare for
21 your deposition here today?

22 A. I met with the attorneys and
23 reviewed some of the things.

24 Q. I don't want to hear what they
25 talked with you about, okay? But what I am

1 interested in knowing is what documents did
2 you review?

3 A. I reviewed the original pleadings,
4 the amended Complaints, the judge's ruling,
5 and maybe some pleadings the defendants filed.

6 Q. All right.

7 A. It's a lot of paper.

8 Q. Yeah, it is a lot of paper. I got
9 a lot of it from y'all Friday.

10 But let me ask you this: You said
11 the defendants' pleadings. Do you remember
12 which -- I mean, did you review any pleading I
13 had filed?

14 A. I'd have to go back and look at the
15 pleadings to see who had filed them.

16 Q. Do you remember Ms. Reed, do you
17 remember reading anything from them?

18 A. I'd have to look at them.

19 Q. Okay. So you reviewed some
20 defendants' pleadings, you just don't know
21 what.

22 A. Yes.

23 Q. Right?

24 A. Yes, sir.

25 Q. Well, just tell me, in your own

1 words, what are you suing us for?

2 A. For participating in the Ponzi

3 scheme that Allen Stanford committed.

4 Q. For participating in it?

5 A. Well, for being part of it, yes.

6 Q. Yes, for being part of it. True?

7 A. Yes.

8 Q. And it's your understanding our

9 banks actively participated in the Ponzi

10 scheme, true?

11 A. Y'all enabled them to continue

12 these transactions, yes.

13 Q. You said a second ago that we

14 participated in it. Did we participate --

15 it's a simple question, yes or no: Did these

16 banks participate in the Ponzi scheme, yes?

17 A. They did business with Allen

18 Stanford.

19 Q. That's not what I asked you, sir.

20 Did we participate in the Ponzi scheme?

21 A. What do you mean by participating?

22 Q. Well, you used the term first.

23 What did you mean by it?

24 A. I mean you did business with Allen

25 Stanford and his enterprises.

1 Q. Okay. So you've sued our banks
2 because we did business with Allen Stanford
3 and his enterprises. Fair?

4 A. I think y'all aided and abetted in
5 the Ponzi scheme.

6 Q. Uh-huh. Anything else you can come
7 up with at this point?

8 A. I'm good right now.

9 Q. All right. That's all you can
10 recall about these -- why you're suing us?

11 A. I don't think I understand your
12 question.

13 Q. Well, my question was, that's all
14 you recall about why we're being sued. True?

15 MR. SWANSON: Object to the form of
16 the question.

17 BY MR. REPASS:

18 Q. All right. You've -- I'm just
19 trying to -- have you told me your best
20 understanding of why you and similarly
21 situated plaintiffs representatives and the
22 class are suing my banks?

23 A. I believe the banks knew that
24 Stanford Group, enterprise, whatever you want
25 to call it, was doing suspicious activities,

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1 and they were in the best position to know,
2 and didn't take appropriate action.

3 Q. Anything else?
4 A. At this time, no.

5 Q. Okay. Now, let me show you what's
6 been marked as Exhibit 24.

7 (Queyrrouze Exhibit 24 marked.)

8 MR. REPASS: Sorry, it's light.

9 THE WITNESS: It's all right.

10 MR. SWANSON: Thank you.

11 BY MR. REPASS:

12 Q. Sir, do you recognize Exhibit 24?

13 A. No.

14 Q. Do you know who prepared it?

15 A. No.

16 Q. It was produced by your lawyers,
17 and I presume they got it from you.

18 A. I don't know who prepared it.

19 Q. Did your wife? Did you have your
20 wife prepare it?

21 A. No, I don't think my wife prepared
22 it.

23 Q. Okay. Well, look at -- I'm just
24 trying to get to the bottom of this.

25 April 8th, for instance, 2008, that

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1 Q. Sir, let me show you what's been
2 marked as Exhibit 25 to your deposition. Sir,
3 I'll represent to you that to my recollection,
4 this is page 2 of 2, and I just want to zero
5 in on these transactions here on page 2.

6 Have you had a chance to look at it?

7 A. Yes.

8 Q. What does Exhibit 25 reflect? The
9 purchase of a CD from SIBL?

10 A. Yes.

11 Q. For REDACTED. True?

12 A. Yes.

13 Q. On or about April 1st of 2008.

14 True?

15 A. Yes.

16 Q. I'm just curious. Why at that
17 time? I mean, you'd been with them for at
18 least since 2007. Why at that time did you
19 decide to buy a CD?

20 A. I recall discussing it with Grady
21 prior to the April -- talking about
22 diversifying with some of the money from
23 securities to --

24 Q. Do you recall what the stock market
25 was doing in March of 2008?

1 A. No, I don't recall independently,
2 no.

3 Q. Do you recall the reasons for
4 wanting to diversify into a little more cash
5 in April or so of 2008?

6 A. No.

7 Q. All righty. Let's move on to
8 Exhibit 26.

9 (Queyrouze Exhibit 26 marked.)

10 MR. REPASS: Thank you.

11 BY MR. REPASS:

12 Q. Sir, if you'll take a look at
13 Exhibit 26 for just a second, let me know when
14 you've had a chance to look at it.

15 A. Okay.

16 Q. Do you recognize Exhibit 26 as
17 being a true and correct copy of the original
18 certificate of deposit for **REDACTED** issued by
19 SIBL to you or your wife on or about April 1st
20 of 2008?

21 A. Yes.

22 Q. And this was a fixed CD with a
23 five-year maturity date. True?

24 A. Yes.

25 Q. And it speaks in terms down below

1 of the annual yield will be 9.69%. Do you see
2 where I'm reading that?

3 A. Yes, I see that.

4 Q. Why did you go with a CD from
5 Stanford as opposed to a CD from a domestic
6 bank?

7 A. I decided to buy it after a
8 conversation with Grady. I don't really
9 recall specifically why.

10 Q. And I could be wrong, but I went
11 through all of these documents and at least I
12 didn't identify any specific written
13 documentation related to CDs as opposed to,
14 say, the SIM or something like that.

15 Do you recall him having any
16 documentation that he went over with you about
17 the SIBL CDs?

18 A. Not that I -- I don't know.

19 Q. Do you know whether he went over
20 any documentation with you?

21 A. He might have, it's possible.

22 Q. But sitting here today, you don't
23 remember one way or the other?

24 A. No.

25 Q. Sitting here today, do you remember

1 anything that he said in support of the notion
2 of you and your wife purchasing an SIBL CD for
3 REDACTED?
4 A. At the time, he told me that the
5 bank was a safe investment, that it invested
6 in securities and different transactions and
7 got a higher return than domestic banks
8 because of less regulation, that they didn't
9 invest in any of their entities. It was a
10 totally separate bank that invested in
11 securities and different things.

12 Q. All right. Let me see if I can
13 pick that apart, in a good way.

14 He told you that they could get a
15 better rate of return because they invested in
16 what? You lost me on that one.

17 A. Securities.

18 Q. And where would they get the money
19 to invest in the securities?

20 A. From the bank.

21 Q. And by "from the bank," did you
22 take that to mean from CD accounts?

23 A. From depositors, yes.

24 Q. And a CD is a deposit, right?

25 A. Yes.

1 A. Good slide. Thank you.

2 Q. You're welcome.

3 THE WITNESS: Is this the same --

4 MR. SWANSON: Yeah, you gave me
5 one.

6 MR. REPASS: Huh?

7 MR. SWANSON: You sent one over
8 here for me. I thought you were looking
9 for another one.

10 MR. REPASS: No, huh-uh.

11 BY MR. REPASS:

12 Q. Sir, have you had a chance to look
13 at Exhibit 27?

14 A. Yes.

15 Q. And does this reflect your purchase
16 of an additional CD for REDACTED from SIBL in
17 early April 2008?

18 A. Yes.

19 Q. I'll represent to you that -- and
20 maybe I just missed it -- but I couldn't find
21 the actual certificate of CD in your
22 production for the REDACTED. I found it for
23 the REDACTED, obviously; it's Exhibit 26.

24 And I would just ask that when y'all
25 get a chance and get back to New Orleans that

1 of the proposed latest Complaint, filed under
2 seal, it says that you have purchased at least
3 two CDs from SIBL, and I'm just going to try
4 and save some time here.

5 To the best of your memory, you have
6 purchased only two CDs from SIBL. Is that
7 correct?

8 A. That's correct.

9 Q. And one for REDACTED, one for
10 REDACTED. True?

11 A. That's correct.

12 Q. All right. Now, with respect to
13 those CDs, to the extent they earned interest
14 from, say, April 2008 until, we'll say
15 February of 2009, what happened to that
16 interest? Was it -- was it rolled back into
17 the CD?

18 A. It stayed in those accounts, yeah.

19 Q. Okay. Let me see if I can find
20 something here.

21 (Quayrouze Exhibit 28 marked.)

22 BY MR. REPASS:

23 Q. I'd like to show you what's been
24 marked as Exhibit 28 to your deposition. Do
25 you recognize this document, sir?

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1 you think he was a pawn or what?

2 A. I don't really think about Grady.

3 Q. I understand that, I really do.

4 But do you think he was a participant in the
5 Ponzi scheme?

6 A. I couldn't tell you.

7 Q. Okay. Now, do you think the
8 Antiguan government was a participant in the
9 Ponzi scheme?

10 A. I, you know, couldn't tell you.

11 MR. PLOTKIN: Please speak up.

12 THE WITNESS: I couldn't tell you.

13 I'm sorry.

14 BY MR. REPASS:

15 Q. But you think these banks were?

16 A. I do.

17 Q. Specifically, Bank of Houston, what
18 did we do? What did we do wrong?

19 A. Specifically?

20 Q. Yeah, I want to know --

21 A. I think you aided and abetted --

22 Q. No, no -- I'm sorry, go ahead and
23 finish.

24 A. -- in the Ponzi scheme.

25 Q. Okay. And we've got your

1 general -- hey, it's on the record that you
2 generally have these beliefs about all of the
3 defendants, all right?

4 Now I'm asking specifically about
5 Bank of Houston; can you point to anything
6 specifically that the Bank of Houston did?

7 A. I'm leaving that to my attorneys to
8 pursue.

9 Q. All right. How about for any other
10 of the banks? Can you point --

11 A. Same thing.

12 Q. Same thing. Sitting here today,
13 can you tell me of anything specifically that
14 the Bank of Houston did? Specifically.

15 A. I'm leaving that to my attorneys to
16 pursue.

17 Q. So the answer is no?

18 A. No.

19 Q. And would the same be true of the
20 other banks here today?

21 A. Yes.

22 Q. Did you ever have an account with
23 the Bank of Houston?

24 A. No.

25 Q. Have you ever had an account with

1 any of these other banks? HSBC,

2 Toronto-Dominion, Trustmark --

3 MS. REED: Société Générale Private

4 Banking (Suisse).

5 MR. REPASS: I did take two years

6 of French in college, but it wasn't --

7 THE WITNESS: Let me hear it.

8 MR. REPASS: Because the ratio was

9 like 12 to 1, female to male.

10 MS. REED: I took Russian.

11 THE WITNESS: It's possible. I

12 don't recall having accounts there.

13 BY MR. REPASS:

14 Q. All right. Sitting here today, you

15 don't recall having accounts with anyone?

16 A. No.

17 Q. Okay. Fair enough.

18 MR. REPASS: What time is it?

19 MR. SWANSON: I have 11:17.

20 MR. REPASS: All right. Let's take
21 a break.

22 MR. SWANSON: Thanks.

23 THE VIDEOGRAPHER: We are off the
24 record at 11:17.

25 (Recess, 11:17 a.m. to 11:31 a.m.)

1 questions, if that's okay.

2 A. Okay.

3 Q. You understand that Trustmark
4 National Bank is one of the defendants in this
5 lawsuit?

6 A. Yes, I do.

7 Q. And you understand that you're a
8 proposed class representative in this lawsuit?

9 A. Yes, I do.

10 Q. And who do you understand are the
11 other defendants in this lawsuit?

12 A. Bank of Houston, Toronto-Dominion.
13 Now I'm drawing a blank, sorry. Credit Suisse
14 or Société Générale; Trustmark, yourself; Bank
15 of Houston; Toronto-Dominion, HBSC [sic].

16 Q. Okay. And who do you understand
17 are the other named plaintiffs or your fellow
18 class -- your fellow proposed class
19 representatives?

20 A. What do you mean, who?

21 Q. Do you know who they are?

22 A. I'd have to look at the -- Peggy
23 Rotstain, different class reps that were
24 Stanford victims.

25 Q. Can you name any others sitting

1 here today, besides Peggy Rotstain?

2 A. Not without looking at the thing.

3 Q. Okay. Could you tell me, what is
4 your understanding of what is the proposed
5 class in this lawsuit that you're being
6 proposed to represent?

7 A. What is my understanding?

8 Q. Yes.

9 A. That it's the people that had
10 certificates of deposit in Stanford
11 International Bank.

12 Q. Okay. And are there any other
13 limits on what that proposed class is going to
14 be, as far as your understanding?

15 A. I'm leaving most of it to the
16 attorneys to pursue.

17 Q. Okay. So what you just told me is
18 your understanding as the class representative
19 of what the class is going to be?

20 A. Uh-huh. Yes, sir.

21 Q. Do you know what countries the
22 proposed class members reside in?

23 A. I can tell you the countries where
24 people were affected, yes.

25 Q. Okay. I don't want to know where

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1 they're affected. I want to know the
2 countries where proposed class members reside.
3 What's your understanding of that?

4 A. Going off memory, I believe one is
5 from Mexico, Colombia, United States,
6 Venezuela, maybe a couple more.

7 Q. Okay. Do you know what those
8 couple others are?

9 A. Central American countries,
10 possibly. Panama.

11 Q. Any others?

12 A. Not off the top of my head.

13 Q. Okay. Do you know how many members
14 there are approximately of the class you're
15 proposed to represent?

16 A. It's thousands. I don't know the
17 exact number of certificate depositors.

18 Q. Do you have an estimate at all as
19 the proposed class representative?

20 A. I don't remember it off the top of
21 my head.

22 Q. Okay. Let me represent to you that
23 your petition says the number exceeds 17,000,
24 just so you know, as we go through some
25 questions today, if that's okay.

1 A. Okay.

2 Q. I believe you testified earlier
3 that you read some of the Complaints in this
4 lawsuit; that is, what your attorneys have
5 written, making allegations against the
6 defendants, in preparation for the deposition
7 today. Is that correct?

8 A. That's correct.

9 Q. And do you remember what Complaints
10 you read?

11 A. I would have read the original
12 petition, the amended -- and the amended
13 petitions or Complaints.

14 Q. Okay. And when did you actually
15 read those? In the last week or the last day?

16 A. No, I would have read the earlier
17 ones back before they were filed.

18 Q. So you read each of those petitions
19 before they were filed?

20 A. Yes.

21 Q. Now, I believe with Mr. Repass you
22 discussed earlier that you bought two SIBL CDs
23 in April of 2008. Do you remember that?

24 A. Yes.

25 Q. And at the time you bought those

1 CDs, you were an accredited investor, correct?

2 A. Yes.

3 Q. And what does it mean to be an

4 accredited investor?

5 A. By the SEC, you mean?

6 Q. Yes.

7 A. I believe at the time it was

8 probably a net worth of a million dollars or

9 assets of a million dollars.

10 Q. Okay. And does it also generally

11 mean that you're somewhat more of a

12 sophisticated investor than a nonaccredited

13 investor?

14 A. Yes.

15 Q. And so you, as a sophisticated

16 investor, might have a different perspective

17 or a different take, can analyze risk somewhat

18 better than a nonaccredited investor, correct?

19 A. In theory, that's right, yes.

20 Q. Right. That's why they have the

21 accredited investor program, right?

22 A. That's correct.

23 Q. Okay. And let me show you, if I

24 could, sir, what I think is your résumé, which

25 I'm going to mark as Exhibit 40.

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1 Q. Okay. And I believe you also
2 testified that as far as purchasing those CDs,
3 you don't recall reviewing or relying on any
4 written documents in making that decision; it
5 was just a conversation with Mr. Layfield. Is
6 that correct?

7 A. Yes. We had one or two
8 conversations and then they were purchased.

9 Q. Okay. But no written documents
10 that you recall?

11 A. Not that I recall.

12 Q. Okay. And I believe you also
13 testified that -- and tell me if I'm wrong --
14 but that conversation with Grady, the three
15 points that I remember were that it was a safe
16 investment, it had a higher rate of return
17 because the bank invested in securities out of
18 its Memphis office that were not related to
19 Stanford entities, and it had a higher rate of
20 return because there was less regulation. Is
21 that correct?

22 A. That's what I remember him telling
23 me.

24 Q. Okay. And those are the only three
25 things that you can remember him telling you

1 prior to making that investment?

2 A. Yes.

3 Q. In other words, those were the
4 statements that you relied on in agreeing to
5 do that. Is that correct?

6 A. Yes.

7 Q. Now, as far as the other class
8 members that you're proposed to represent, the
9 17,000-plus other people, I take it you don't
10 know what they -- written documents they may
11 have reviewed or what oral statements
12 financial advisors may have made to them
13 before they invested. Is that correct?

14 A. No, I don't.

15 Q. Okay. So if we wanted to know what
16 they relied on, we'd need to go talk to them.

17 Is that correct?

18 A. I would --

19 Q. Pardon?

20 A. I guess. I would assume so.

21 Q. Yes. You don't know the answer to
22 that question?

23 A. I do not, no, sir.

24 Q. Okay. And I take it you also don't
25 know what financial advisors they -- I mean --

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1 A. Could have been more, could have
2 been less.

3 Q. [REDACTED] ?

4 A. No.

5 Q. You think it was under [REDACTED]?

6 A. I do.

7 Q. But it could have been more than
8 [REDACTED]?

9 A. Could have been?

10 Q. Could have been more than [REDACTED]?

11 A. I don't think so.

12 Q. What about Wachovia?

13 A. Same thing.

14 Q. Under [REDACTED]?

15 A. Yes.

16 Q. But could have been more than
17 [REDACTED]?

18 A. It's possible.

19 Q. Could have been more than [REDACTED]?

20 A. Probably not.

21 Q. Since 2009, have you filed any
22 amended tax returns?

23 A. No.

24 Q. Have you claimed any losses in
25 connection -- in your taxes in connection with

1 your investments in Stanford CDs?
2 A. Yes, I have.
3 Q. You have on your taxes?
4 A. Yes.
5 Q. Okay. How much have you claimed in
6 losses on your tax returns?

7 A. The certificates of deposit.
8 Q. Right. How much have you claimed?

9 MR. PLOTKIN: Could you speak up?

10 THE WITNESS: I'm sorry. The
11 certificates of deposit, REDACTED.

12 BY MS. REED:

13 Q. Okay. And what is the tax value
14 that you've accrued for claiming those losses?

15 A. I've been carrying it forward. I
16 don't know what the balance is.

17 Q. Who did you transfer your brokerage
18 account securities from Stanford? When that
19 account was unfrozen, what institution now
20 holds those securities?

21 A. It was Andy Galy, G-A-L-Y, and I
22 believe at that time he was with ING.

23 Q. Did you have an account already
24 with ING before you transferred the Stanford
25 account to ING?

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1 Q. Five years ago?

2 A. 2009 or '10, yeah.

3 Q. So at least five years ago?

4 A. Yeah.

5 Q. How did you come to be named as an
6 individual representative?

7 A. Just working with my attorney,
8 Peter Morgenstern.

9 Q. Is Peter Morgenstern your attorney?

10 A. Yes.

11 Q. Do you have a retainer agreement
12 with Mr. Morgenstern?

13 A. Yes.

14 Q. Do you know if you produced it in
15 your document productions?

16 A. I didn't have a copy of it. He
17 does.

18 Q. Oh, you don't have a copy of it?

19 A. That's correct.

20 Q. And when did you -- and over the
21 course of the five years as a named class
22 representative, what, if anything, have you
23 done in that case?

24 A. Well, the case was stayed for a
25 long time and there hasn't been much activity

1 that I'm aware of at this point.

2 Q. Have you been officially named as a
3 class representative?

4 A. What do you mean by --

5 Q. Has the class been certified?

6 A. I don't believe so. I don't know.

7 Q. You don't know if the class has
8 been certified?

9 A. I don't -- I don't know the current
10 disposition.

11 Q. And -- but you're the class
12 representative?

13 A. Yes.

14 Q. Do you have an obligation to know
15 the current status?

16 A. I just -- I don't know where -- if
17 there's been an official ruling on the class
18 certification. I don't remember.

19 Q. Do you know if there's been a
20 motion made to certify the class?

21 A. I do not know at this time.

22 Q. I can't --

23 A. I do not know at this time.

24 Q. So you don't know?

25 A. Right.

1 Q. How long has it been since you and
2 Mr. Morgenstern discussed the Antiguan class
3 action?

4 A. It's been a while. Until last
5 night.

6 Q. A year, two years?

7 A. Until last night.

8 Q. Until last night?

9 A. Yeah.

10 Q. And when was the time before that?

11 A. It's been a year or two.

12 Q. Okay. And what is it that the
13 class in the Antiguan case is accusing the
14 Antiguan government of doing?

15 A. I don't -- the Antiguan government?

16 Q. Well, isn't that who you're suing?

17 A. Seizing -- yes, seizing the assets
18 of the Bank of Antigua.

19 Q. I'm sorry, you're suing them for
20 seizing the assets of the bank?

21 A. That's my recollection.

22 Q. Okay. And what do you hope to --
23 what relief do you hope to obtain in that
24 case?

25 A. We would like to get some value for

1 A. That's what it says, yes.

2 Q. Right? And you continued to
3 accumulate **REDACTED** until February
4 of 2009. Is that right?

5 A. That's -- in that account, yes.

6 Q. Okay. And then look at 27. Did
7 you earn any interest in that month?

8 A. **REDACTED**.

9 Q. So if we add the two monthly
10 interest payments together, comes out to about
11 **REDACTED**.

12 A. That's what it says, yes.

13 Q. Over the course of a year, it would
14 be more than **REDACTED**. Did you report that on
15 either your '07 or '08 income taxes?

16 A. I wouldn't have reported it in '07.

17 Q. Why not? You had it in April of
18 '07.

19 A. April of '08.

20 Q. I'm sorry, April of '08, okay. Did
21 you report it in '08?

22 A. I would imagine I did.

23 Q. What do you mean, imagine?

24 A. Well, by the time I filed the 2008
25 return, Stanford was already known so I don't

Page 214

1 know how the CPA treated it.

2 Q. Well, you signed the return, right?

3 A. Yeah, but I would have to go back

4 and look at what he did and --

5 Q. Okay. You keep saying we have to
6 go back and look. Is there any reason why you
7 didn't produce that information?

8 A. The tax return?

9 Q. Yeah.

10 A. I believe I did produce the tax
11 return.

12 Q. For '08?

13 A. Yes.

14 Q. Okay. Why do you believe that?

15 A. Because I believe I did.

16 Q. Was that in the storage room?

17 A. Or in my office.

18 Q. Oh, you also kept stuff in your
19 office?

20 A. Yes.

21 Q. Where is your office located?

22 A. In Metairie, Louisiana.

23 Q. So you have an office in the
24 storage room?

25 A. I have a storage room personally

1 Q. And some of them did?

2 A. I would assume, yeah.

RE

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REO

ANSWER The answer is 1000. The first two digits of the number 1000 are 10.

—
—
—

Page 1

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1

Figure 1. A schematic diagram of the experimental setup. The sample was placed in a glass tube and positioned in the center of the magnetic field. The magnetic field was generated by a superconducting magnet. The sample was heated by a resistive heater. The temperature was measured by a thermocouple. The pressure was measured by a pressure sensor. The flow rate was measured by a flow meter. The sample was heated at a constant temperature of 500 °C. The pressure was maintained at 1 atm. The flow rate was maintained at 100 cm³/min. The sample was heated for 1 h. The temperature was then cooled down to 200 °C. The pressure was then increased to 2 atm. The sample was heated for another 1 h. The temperature was then cooled down to 200 °C. This cycle was repeated three times. The final temperature was 200 °C. The final pressure was 2 atm. The final flow rate was 100 cm³/min. The final sample weight was 1 g. The final sample size was 1 cm³. The final sample density was 1 g/cm³.

Page 1 of 1

Figure 1. A schematic diagram of the experimental setup.

1

ANSWER The answer is (A). The first two digits of the number 1234567890 are 12.

1

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1

[REDACTED]

1

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Page 1 of 1

[REDACTED]

1

Black Box

10 of 10

[REDACTED]

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ANSWER

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[REDACTED]

Page 225

RED

[REDACTED]

7 Q. Now, are you aware that your
8 counsel has filed, within the last 30 days or
9 so, a motion to certify the class in this
10 litigation?

11 A. Yes.

12 Q. You said that you had met with them
13 prior to this deposition and reviewed some
14 documents. Is that correct?

15 A. We just discussed the deposition.

16 Q. Just discussed the deposition?

17 When was it that you reviewed documents in
18 relation to the case, to this motion for class
19 certification?

20 A. Prior to them filing it, they would
21 have e-mailed it to me to review.

22 Q. Okay. So you have read the motion
23 for class certification?

24 A. I read it a while ago, yeah.

25 Q. How long ago?

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1 A. I do not remember reading that.

2 Q. Do you know who Karyl Van Tassel
3 is?

4 A. I know the name, yeah.

5 Q. Who is it?

6 A. She's one of the class plaintiffs.

7 Q. And do you know whether or not any
8 materials from her were attached to the -- to
9 your motion to certify a class?

10 A. No, I do not.

11 Q. Sorry?

12 A. I do not know if anything was
13 attached to the motion.

14 Q. Okay. And the best of your
15 recollection is Karyl Van Tassel is one of the
16 plaintiffs?

17 A. I don't know.

18 Q. Did you ever file a claim with the
19 joint liquidators?

20 A. I believe so.

21 Q. Why did you do that?

22 A. To protect the potential claim
23 recovery.

24 Q. And did you do that at or about the
25 same time you filed a claim with the receiver?

Page 230

1 A. I don't remember.

2 Q. Did you file a claim with the
3 receiver?

4 A. Yes.

5 Q. So you have a claim with each of
6 them?

7 A. Yes.

8 MR. PLOTKIN: I guess we ought to
9 mark this.

10 BY MR. PLOTKIN:

11 Q. Approximately when did you file a
12 claim with the joint liquidators or the
13 U.K. receivers?

14 A. I don't -- I don't remember the
15 exact date.

16 Q. I'm not asking for -- I said
17 approximately when?

18 A. I don't remember when it was. It
19 could have been --

20 Q. '09, '10?

21 A. It could have been '10, I don't
22 know.

23 Q. Okay. And at that time, were the
24 receivers Grant Thornton?

25 A. I'm not sure.

1 Q. And did you ever file an actual
2 claim with them?

3 A. I filed whatever papers they had
4 sent me.

5 Q. Okay. And did they ever adjudicate
6 your claim?

7 A. What do you mean by --

8 Q. Did they ever respond to you with
9 regard to your claim?

10 A. They -- they sent me receipts of
11 the information I sent them, yes.

12 Q. Okay. And you were asking -- you
13 were claiming money from them, right?

14 A. Correct.

15 Q. Did they ever say, "We turn down
16 your claim"?

17 A. No.

18 Q. Did they ever say "We accept your
19 claim"?

20 A. Yes. I believe so, yes.

21 Q. And did they accept your claim at
22 full value?

23 A. I think the face value of the CDs,
24 but I'd have to look at it.

25 Q. And when they advised you of that,

Page 232

1 what, if anything, did you do?

2 A. I think --

3 Q. Did you say, send the check?

4 A. No. I mean, they said they'd be in

5 touch. I don't remember. They --

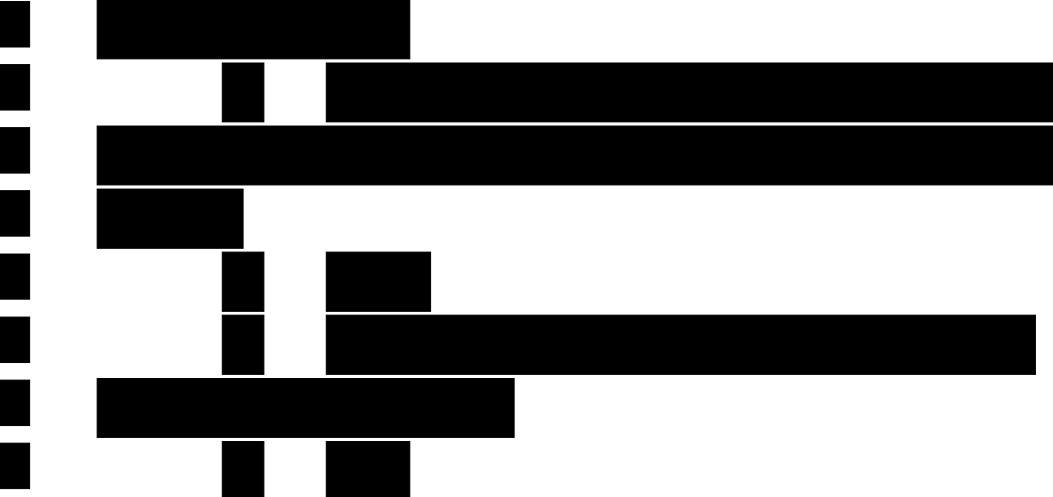
6 Q. Have they sent you any money?

7 A. I believe they made one

8 distribution.

9 Q. So how much was that?

10 A. I don't remember. **REDACTED**



19 MR. PLOTKIN: What number are we up
20 to on exhibits?

21 THE REPORTER: We're up to No. 44
22 and the stickers are over there.

23 (Sotto voce discussion.)

24 (Queyrouze Exhibit 44 marked.)

25 BY MR. PLOTKIN:

1 Q. I'm going to hand you -- I better
2 not do that. I'm going to throw across the
3 table to you, and here's one for your
4 counsel --

5 MR. PLOTKIN: Whoo.

6 MR. REICHARD: Good shot.

7 BY MR. PLOTKIN:

8 Q. Okay. What I've handed you is
9 marked as Exhibit 44, and you see down in the
10 bottom right-hand corner it has your name and
11 then some numbers?

12 A. Yes.

13 Q. Okay. So this would suggest that
14 this was produced to your counsel by you.

15 A. Yes.

16 Q. Is that correct?

17 A. That's correct.

18 Q. And did you produce this to your
19 counsel?

20 A. Yes. Yes.

21 Q. Okay. I'm going to ask you to turn
22 to the page marked 073, the very next page.

23 A. Yes.

24 Q. Take a look at number 1 (a).

25 A. Yes.

Page 234

1 Q. Is that true?
2 A. At the time, yes.
3 Q. How do you know?
4 A. Because I believe at the time --
5 that's what I recall.

6 Q. What's what you recall?
7 A. That I hadn't filed a claim with
8 anybody else at that point.

9 Q. Well, when did you file this claim?
10 A. I don't know. It's not dated.
11 Q. Subsequent to filing a claim with
12 the joint liquidators, did you ever update
13 this form to correct that statement?

14 A. I don't know. I don't recall doing
15 that.

16 Q. REDACTED

24 Q. Why?
25 A. I just didn't.

Page 235

1 Q. Why?

2 A. I don't have a reason.

3 Q. But you were seeking the same money

4 from Mr. Janvey that you were seeking from the

5 U.K.

6 A. Well, my understanding is they were

7 working together at that point.

8 Q. At which point?

9 A. Since the joint agreement.

10 Q. Well, when -- I thought you didn't

11 know any of the dates.

12 A. I don't know the dates.

13 Q. So then how do you know they were

14 working together?

15 A. I guess I don't know.

REDACTED



1 Q. Okay. You don't have any different
2 understanding as a lawyer of the nature of the
3 claims. Is that right?

4 A. That's right.

5 Q. I think we've established now that
6 in your original claim to the U.S. receiver,
7 you stated and you signed, I believe under
8 penalty of perjury, that you had not applied
9 for, asserted a claim for or received any
10 compensation for any part of your total
11 claimed amount from any source other than the
12 receivership. Correct?

13 A. That's correct.

REDACTED

20 Q. You're not confident?

21 A. No.

22 MR. PLOTKIN: Could you not move
23 around?

24 THE WITNESS: No, I'm not. I'm
25 sorry.

1 BY MS. REED:

2 Q. So it's possible that in fact this
3 is a false statement. Is that correct?

4 A. No. When I read that I read it to
5 mean with any receivers.

6 Q. Okay. So you don't know whether
7 it's true?

8 A. Right.

9 Q. It's possible that it's a false --

10 A. That's how I read -- that's how I
11 interpreted it.

12 Q. Okay. But it's possible it's a
13 false statement?

14 A. I guess it's possible.

15 Q. What steps have you taken to ensure
16 that the receiver has the correct information
17 about amounts you've already claimed or
18 received from other sources than the
19 U.S. receivership?

20 A. I haven't done anything that I
21 didn't produce for you.

22 Q. One of -- one of the things this
23 form asks you to do is to provide to the
24 receivership the identity of any other sources
25 from which you have received compensation and

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1 the amount of compensation you've received.

[REDACTED]

Q.

What steps do you plan to take

[REDACTED]

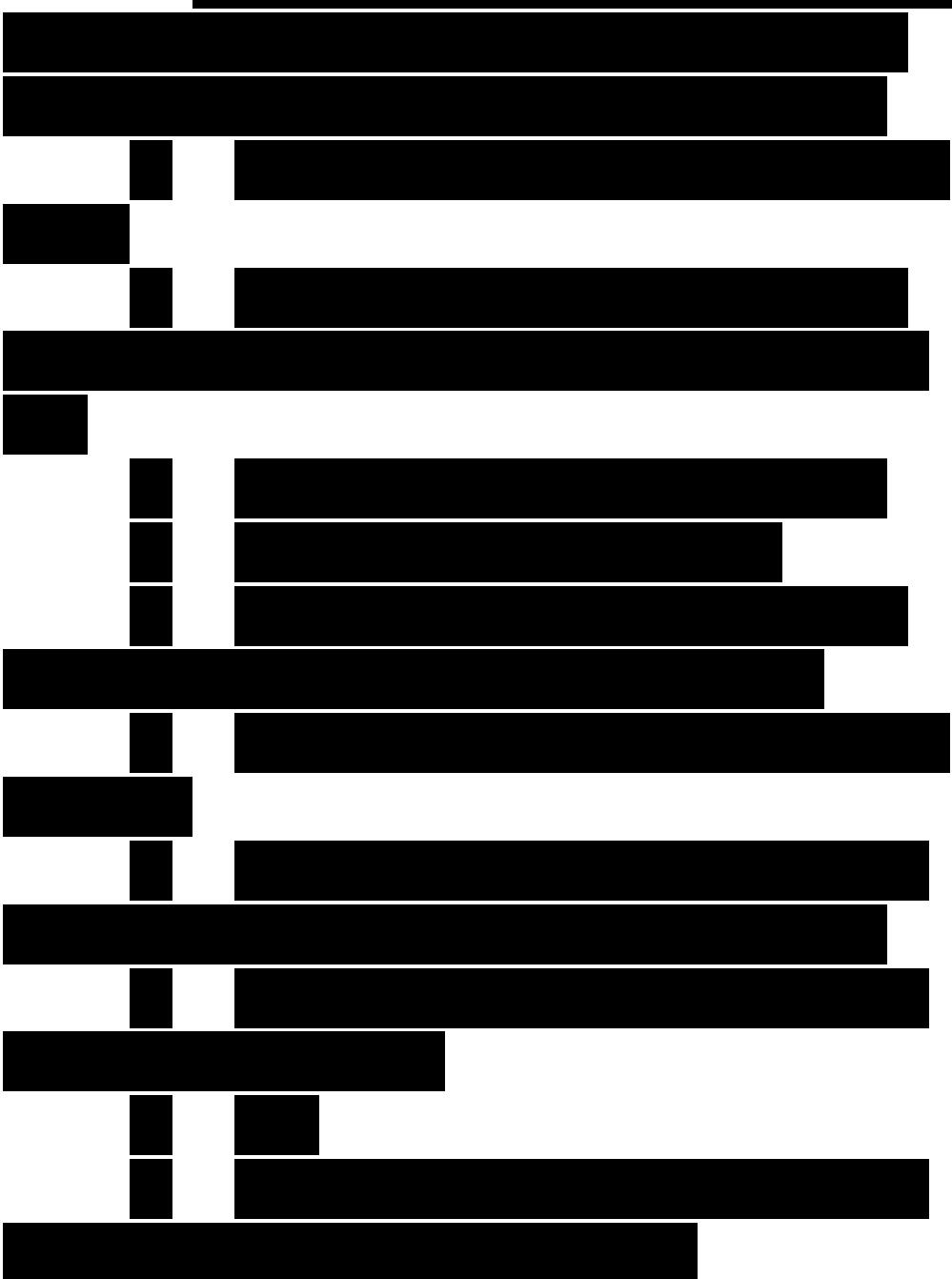
after today to advise the receiver of those

[REDACTED]

amounts?

1 A. I will notify them.
2 Q. Do you understand that the amounts
3 you've received from other -- let me strike
4 that and ask a different question.

5 REDACTED



RE

REDACT

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

7

Q. And you commit today that you're

8

going to advise the U.S. receiver of all of

9

the amounts you've received from other sources

10

and all claims you have pending --

11

A. Yes.

12

Q. -- for other amounts. Is that

13

correct?

14

A. Yes, that's correct.

15

MS. REED: No further questions.

16

THE WITNESS: Are we done?

17

THE VIDEOGRAPHER: We're done?

18

Anyone else? Anyone else?

19

MS. REED: Yeah, let's do a little

20

bit more on the record.

21

THE VIDEOGRAPHER: Okay. I haven't
gone off.

23

MS. REED: Not questions for you,

24

Mr. Queyrouze, but we just want to note

25

a couple of things.

Page 274

1 J U R A T

2

3 I, , do hereby certify under
4 penalty of perjury that I have read the foregoing
5 transcript of my deposition taken on ;
6 that I have made such corrections as appear noted
7 herein in ink, initialed by me; that my testimony as
8 contained herein, as corrected, is true and correct.

9

10 DATED this ____ day of _____, 20_____,
11 at _____,

12

13

14

15

16

17

18

SIGNATURE OF WITNESS

19

20

21

22

23

24

25

1

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4 QUEYROUZE_003072 to
4 3077
5
6 Exhibit 45 E-mail Chain, Subj: 246 25
6 FW: For Steve, dated
7 1/29/2008, from
7 gmseattle@ruthschrис.com
8 to SQueyrouze@aol.com;
8 QUEYROUZE_006607 to
8 6608
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11 --oOo--
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EXHIBIT 68

Page 1

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

3 PEGGY ROIF ROTSTAIN, ☐
et al., ☐
4
Plaintiffs, ☐
5 Case No.
v. ☐ 3:09-CV-2384-N-BG
6
TRUSTMARK NATIONAL ☐
7 BANK, et al., ☐
Defendants. ☐
8

12 VIDEOTAPED DEPOSITION OF GUTHRIE ABBOTT
13 Houston, Texas
14 Thursday, May 28, 2015

23 Reported by:
24 SUSAN PERRY MILLER, CSR, CCR, RDR, CRR, CBC
25 JOB NO. 93136

Page 3

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25 --oo--

1 was an expert.

2 Q. Okay.

3 A. But I learned, when you're
4 cross-examined sometimes, you question
5 yourself as to whether you're competent or
6 really know what you're talking about. I said
7 I was an expert.

8 Q. Okay. So other than working at
9 Eaton Cottrell, teaching at Ole Miss Law
10 School, and then consulting and doing the CLE
11 program, have you worked in any other capacity
12 since you graduated law school?

13 A. I was involved in -- with a friend
14 of mine from Jackson, Mississippi who had the
15 BARBRI Bar Review Course, and I worked with
16 him and actually administered it at the
17 Ole Miss Law School and lectured in it for 30
18 years.

19 Q. Okay. Any other employment or
20 work?

21 A. That's it. That kept me pretty
22 busy. That was four jobs at the same time
23 frequently, so...

24 Q. Okay. Well, how did you first
25 become associated with Stanford?

1 A. In I think 1999, we hired a
2 financial advisor, John Mark Holliday, who was
3 with Executive Financial Planners in Tupelo,
4 Mississippi, and he became our full-time --
5 handled all of our financial matters.

6 And in 2006, Mr. Holliday came to
7 visit us and said that he was changing firms
8 and that he was joining the Stanford Group,
9 asked if we would eventually sign all the
10 documents and stuff to transfer all our
11 authority and such to him and Stanford.

12 Q. Just before we go any further, you
13 understand that when I say Stanford, I'm
14 referring to R. Allen Stanford, the
15 Stanford Group companies, Stanford
16 International Bank and anything related to
17 those entities. Is that fair?

18 A. That's fair.

19 Q. Okay. And when you say Stanford,
20 I'm going to assume that's what you mean too,
21 okay?

22 A. That's fair. That is what I mean.
23 I've never understood quite what all those
24 things...

25 Q. And so you met John Mark Holliday

1 remember?

2 A. He just asked if he could come meet
3 with us and discuss being our financial
4 advisor.

5 Q. And did you meet with Mr. Holliday?

6 A. Yes.

7 Q. And what happened next?

8 A. I was very impressed with him and
9 we hired him to be our financial advisor. He
10 was a petroleum engineering major, Carrier
11 scholar from Ole Miss, which is the highest
12 scholarship the school gave at that time, and
13 a very impressive person.

14 Q. And over the year -- starting in

15 1999, how often were you talking to

16 Mr. Holliday about your financial affairs?

17 A. Once he took over our financial
18 affairs, we met fairly regularly and talked to
19 him by telephone a lot.

20 Q. How regularly would you meet with
21 him?

22 A. Oh, every several months, probably,
23 or something along that line. Not a
24 regular -- regularly scheduled meeting, just
25 when he had something for me to sign or do or

1 occasionally he would just come to Oxford and
2 have lunch.

3 Q. Because he worked out of Tupelo,
4 correct?

5 A. He worked out of Tupelo.

6 Q. And how often would you and
7 Mr. Holliday speak over the phone?

8 A. Whenever something came up
9 concerning any investment or something he
10 wanted to do, we needed to sign or move or
11 potentially -- just following whatever
12 Mr. Holliday wanted us to do.

13 Q. And your attorneys produced some
14 e-mails between you and Mr. Holliday. You
15 know that, right?

16 A. Correct.

17 Q. And I've gathered from looking at
18 those e-mails that over the years you-all
19 became friends, is that --

20 A. We became very good friends.

21 Q. And you trusted his advice, didn't
22 you?

23 A. Totally. And in hindsight,
24 blindly, but...

25 Q. And in fact, oftentimes you simply

1 deferred to him on decisions about where to
2 put money and things of that nature?

3 A. Almost always. I might have a
4 question or just ask what my options were, but
5 I can't remember a time that I didn't go with
6 what his advice was with regard to
7 investments.

8 Q. And when did Mr. Holliday first
9 approach you about investing with Stanford or
10 moving your money to Stanford?

11 A. In 2006.

12 Q. And what was -- did you meet with
13 him and talk about Stanford?

14 A. He came -- he frequently came to
15 Oxford. He had a lot of clients, some of whom
16 I had recommended --

17 Q. So --

18 A. -- to him, actually, and he came to
19 see us and announced that he was going to be
20 changing companies and he went into explaining
21 the Stanford Group, which I had never heard
22 of.

23 Q. And what else did Mr. Holliday tell
24 you in that first meeting where he told you
25 that he had moved to Stanford?

1 A. Just that he was changing
2 companies.

3 Q. Did he tell you anything about
4 Stanford?

5 A. Oh, yes. I asked.

6 Q. What did you ask?

7 A. I just asked who Stanford was and
8 what type of company they were. And he and
9 his partner, Neal Clement, both were going
10 with Stanford, and he explained in some detail
11 that Stanford was an old line investment
12 family from Texas that were extremely well
13 financed and he was very, very pleased with
14 the opportunity to be with them and such.

15 Q. Did he tell you anything else about
16 Allen Stanford or the Stanford Group at that
17 meeting?

18 A. Just that they were, in his
19 opinion -- he said he had investigated them
20 and that they were very strong and would offer
21 him very -- you know, offer him a great
22 opportunity.

23 Q. And at that first meeting where
24 John Holliday told you he was moving to
25 Stanford, did he show you any written

1 materials about Stanford?

2 A. He may have given me a little
3 brochure, that was it. And he almost never
4 provided anything in writing regarding
5 Stanford.

6 Q. And this brochure, do you remember
7 what it said?

8 A. I really don't. I'm just assuming
9 I got one.

10 Q. So you don't really know if he gave
11 you anything in writing in that first meeting;
12 you're just assuming?

13 A. That's correct.

14 Q. Okay. And you said that
15 Mr. Holliday almost never gave you anything in
16 writing regarding Stanford. What do you mean
17 by "almost never"? Did he ever give you
18 anything in writing about Stanford?

19 A. Well, I had -- he brought all the
20 documents necessary to sign and for my wife
21 and me and to transfer all of the authorities
22 and such so that Stanford would take over from
23 what Executive Financial Planners had been
24 doing. And he would bring whatever documents
25 were necessary involving transfers to Stanford

1 from 2006 on.

2 But he didn't provide -- when he
3 was touting the certificates of deposit, for
4 instance, he gave me no materials involving
5 those.

6 Q. And we'll talk about the CDs later.

7 Would it be fair to say that the only written
8 materials that you ever received from John
9 Holliday about Stanford were forms that you
10 had to fill out in order to make certain
11 things happen with your money?

12 A. Correct.

13 Q. And you had this meeting with John
14 Holliday in 2006 when he said he's moving to
15 Stanford. Did you meet with him again or
16 speak with him again before you moved your
17 money to Stanford?

18 A. I'm sure that I did, but I don't
19 recall. It was fairly shortly after that
20 that -- this is all in 2006.

21 Q. Which I realize is a long time ago.

22 A. But he got all the documents
23 together and such -- there's several months
24 before he was prepared to make the actual
25 transfers.

1 A. Actually, I think I produced all of
2 those. You should have them.

3 Q. Thank you. And I'll just remind
4 you that because the court reporter is taking
5 this down, we have to sort of avoid talking
6 over each other. I think we were doing a good
7 job at the beginning, but now -- you know, I
8 need to wait for you to finish your answer,
9 but likewise, please wait for me to finish the
10 question.

11 Where was I? So you meet with
12 Mr. Holliday at first, he says he's moving to
13 Stanford. And did you ever think twice about
14 whether you ought to move your money over to
15 Stanford?

16 A. Not really, because he gave us, I
17 mean, every assurance that it was a wonderful
18 move for him and for his clients.

19 Q. So you trusted him, correct?

20 A. My wife and I both trusted him. As
21 I said, I recommended people to him.

22 Q. And you valued his advice, correct?

23 A. Totally.

24 Q. So you pretty much just moved your
25 money wholesale over to Stanford without

Page 42

1 Q. Any others?

2 A. I think that's it.

3 Q. What about your wife, did she have
4 any accounts with Stanford?

5 A. We had joint accounts.

6 Q. But did she have any in her own
7 name?

8 A. No.

9 Q. At the time that you signed forms
10 to move money over to Stanford, did you have
11 all of those accounts at that time? You said
12 they were -- let me rephrase the question.

13 You said your money was with EFP,
14 correct, until John Mark Holliday moved to
15 Stanford?

16 A. Correct.

17 Q. And did you move everything you had
18 at EFP over to Stanford at that time?

19 A. Yes, he did. He changed companies
20 and took everything with him to Stanford.

21 Q. Okay. And we covered this a little
22 bit, but did you do any independent research
23 on Stanford before you moved all of your money
24 to Stanford?

25 A. No, none at all.

1 house.

2 Q. When did Mr. Holliday come to your
3 house?

4 A. Late 2006. We always met either --
5 almost always in my office at the law school
6 or he would come to our house. Sometimes we'd
7 go out to lunch.

8 Q. And when Mr. Holliday came to --
9 you said he came to your house?

10 A. Came to our house. My wife and I
11 were there.

12 Q. In late 2006?

13 A. Late 2006.

14 Q. And what did he talk to you about?

15 A. He was talking about investments
16 and he -- as I recall, this is when he first
17 pretty much finalized his joining Stanford and
18 our move to Stanford, and he said that one of
19 the really reasons he was -- the reasons that
20 he was excited about going with Stanford was
21 it offered a much bigger spectrum of
22 investments.

23 At that time, you may recall the
24 stock market was going -- had gone down
25 dramatically and it was jumping up and down

1 like a yo-yo, and he knew that we were
2 interested in just conservative long-term
3 growth investments.

4 And he said that Stanford had a
5 certificate of deposit which met all of those
6 needs, and then he talked about the -- went
7 into some detail, the safety of the
8 investment. Because I asked him if it was
9 FDIC insured, he said it was not. And I said,
10 you know, what -- you know, what would make me
11 want to do this, and he went into great detail
12 about the strength of the Stanford company and
13 the strength of the investment and such.

14 Q. Let's pick that apart a little bit.
15 You said he went into great detail about the
16 strength of the Stanford company. What
17 exactly did he tell you about the Stanford
18 company?

19 A. He said that the Stanford company
20 not only had strong U.S. holdings but that
21 they had really strong international
22 investments, which is what he said allowed the
23 certificate of deposit, as I recall, paid
24 about 1 and a half percent more than local
25 banks were paying.

1 And I asked him about that and he
2 said that not only was it backed by Allen
3 Stanford but that they had -- the Stanford
4 companies had really strong international
5 investments that allowed them to pay a little
6 more than other CDs.

7 Q. And did he ever show you any
8 written material showing where Stanford
9 invested its money?

10 A. He did not. He gave me -- gave us
11 no written materials about the certificate of
12 deposits.

13 Q. And what else did Mr. Holliday tell
14 you about Stanford CDs at that meeting in late
15 2006?

16 A. That's all I recall is that it was
17 a wonderful opportunity to have a stable
18 investment in a volatile stock market.

19 Q. And did it bother you at all that
20 the Stanford CDs were not FDIC insured?

21 A. I inquired about that, and then he
22 responded that they were backed by the
23 Stanford company, which was solid as could be,
24 and he personally vouched that they were the
25 best investment we could make at the time.

1 Q. And what do you mean, he personally
2 vouched?

3 A. He personally looked us right in
4 the eye and said, "In my opinion, this is the
5 strongest investment you could -- and safest
6 investment you could make with your money at
7 this time."

8 Q. Did you discuss at the time whether
9 the Stanford CDs were regulated by the SEC?

10 A. No.

11 Q. And so if I understand you
12 correctly, you wanted to invest in a CD at the
13 time because the stock market was volatile and
14 you wanted a safe investment, correct?

15 A. That's correct.

16 Q. So why did you decide to invest in
17 a Stanford CD instead of a CD from some other
18 bank?

19 A. Solely because Mr. Holliday
20 broached the subject, was handling all of our
21 investments.

22 Q. So you never even considered
23 whether you might invest in a CD issued by an
24 American bank?

25 A. No, I hadn't been thinking about

1 A. He told me that he thought this was
2 not that serious, that it was just some rogue
3 employees or something of that -- that nature,
4 that he was looking into it.

5 Q. Did he tell you anything else?

6 A. Not at that time that I recall.

7 Q. Do you remember if you e-mailed
8 Mr. Holliday around this time?

9 A. No, I don't, and if I did, you'd
10 have it. If I had it you -- and you would,
11 because from that moment on I kept all e-mails
12 concerning all of the Stanford stuff and I've
13 produced all of them to you.

14 Q. Okay. At any point prior to
15 February 16th, 2009, had you seen any
16 indication that Stanford was a Ponzi scheme?

17 A. No. Lord, no. I purchased a CD in
18 January of 2009.

19 Q. All right. But prior to February
20 of 2009, had you ever heard Stanford was under
21 investigation or scrutiny of any kind?

22 A. No, not at all.

23 Q. So prior to February 2009, you had
24 absolutely no concerns whatsoever about
25 Stanford, correct?

1 A. That's correct. Any that I had
2 were -- the only concern I had was the e-mail
3 to Mr. Holliday about my brother-in-law's
4 statement, and he gave us so much assurances
5 that I purchased an additional CD after that
6 time.

(Abbott Exhibit 51 marked.)

BY MR. BRINKMAN:

Q. Guff, do you recognize Exhibit 51?

A. Yes. That's the e-mail that I've

been referring to.

Q. So you sent this e-mail to

Mr Holliday correct?

A I did

0 And apparently on September 22nd

2008 Is that correct?

A That's the date on there, yes.

So this is

posed - correct?

A That is connect

Page 3 of 3

100% **WINE**

TSG Registration No. 11-11-11-077-702-0580

1 my brother-in-law did not want his wife to
2 invest in a CD.

3 Q. Why did that concern you?

4 A. Well, he's a knowledgeable person
5 and a lot better businessman than I am and was
6 on a bank board, so it caused me to want to
7 contact Mr. Holliday and see what's going on
8 and what his feelings were about that.

9 Q. So the reason you called

10 Mr. Holliday was simply because somebody else
11 had expressed an opinion that it wasn't safe?

12 A. Uh-huh. I e-mailed him.

13 Q. And it sounds like from this e-mail
14 that Linda was concerned that the CD was not
15 FDIC insured. Is that accurate?

16 A. No.

17 Q. That --

18 A. No, that's not accurate.

19 Q. That's not why she was concerned?

20 A. I don't understand your question.

21 Q. Can you tell me again who told
22 Linda that he wouldn't invest his money in
23 Stanford CDs?

24 A. Linda is my single sister-in-law.

25 Q. Correct.

1 A. And another sister of her sisters
2 had the money from the farm sale, which she'd
3 put in the stock market, and it was going down
4 dramatically, and she had inquired about
5 investing it in a CD such as Linda had. And
6 her husband had advised against that and she
7 told Linda that, and Linda passed that on to
8 me. And I said, "Well, let me contact John
9 Mark Holliday and see what he says about the
10 safety of our investments."

11 And we did, and he contacted her
12 immediately, directly, and us, and gave us
13 every assurance under the sun that the
14 investments were totally safe.

15 MR. BRINKMAN: Y'all mind if we
16 take a break? I have to go to the
17 bathroom. Sorry, I know it's early.

18 THE VIDEOGRAPHER: We are off the
19 record at 10:48.

20 (Recess, 10:48 a.m. to 10:51 a.m.)

21 THE VIDEOGRAPHER: We're on the
22 record at 10:51. We're on the record.
23 We're on the record, gentlemen.

24 BY MR. BRINKMAN:

25 Q. Guff, did you make a claim to the

1 Q. Administering what?

2 A. The liquidation or the receivership
3 or...

4 Q. And are you talking about the
5 U.S. receiver, about Mr. Janvey?

6 A. No. I received an e-mail from --
7 I guess they call themselves the joint
8 liquidators, and they are working with
9 Mr. Janvey, as I understand it, because the
10 claim was made using the same claim number as
11 that in Mr. Janvey's receivership.

12 I should have produced those
13 documents, I'm fairly certain I did, for you.

14 Q. Yeah, let's see if we can clear it
15 up.

16 (Abbott Exhibit 52 marked.)

17 BY MR. BRINKMAN:

18 Q. Do you recognize Exhibit 52?

19 (Document review.)

20 A. Yes.

21 BY MR. BRINKMAN:

22 Q. What is Exhibit 52?

23 A. I had to think back. This is -- I
24 never did quite understand what this
25 receivership was, but it was a letter from

Page 80

1 this gentleman inviting me to send him [REDACTED]
2 plus for them to proceed to process my claim.

3 Q. So your understanding of this
4 document is that the sender was asking you to
5 pay [REDACTED] to process your claim?

6 A. That's my understanding as I recall
7 it. Let me read the...

8 (Document review.)

9 A. We're -- I'm reading from this
10 document. "We are initiating a clawback
11 process through the Courts against creditors
12 who have received Preference Payments... You
13 have received Preference Payments of
14 [REDACTED] which we require to be repaid to
15 the Estate."

16 And I interpreted that to mean that
17 they wanted me to send them [REDACTED].

18 BY MR. BRINKMAN:

19 Q. Okay. Will you look at page 11,
20 please? I guess that's where you are.

21 A. Uh-huh.

22 Q. The first paragraph under the
23 heading, "Important: Your allowed amount has
24 been amended," it says, "I write further to my
25 previous notification to you regarding your

1 claim, which was allowed in the amount of

2 **REDACTED "**

3 Do you know what that refers to?

4 A. I do not.

5 Q. So you never made a claim with

6 Grant Thornton or the joint liquidators for

7 the amount that you lost with Allen Stanford?

8 A. I don't remember who they are, but

9 I must have -- there was -- early on, after

10 the loss and such, there was some e-mails from

11 some receiver, and I obviously was in contact

12 with them or I would not have received this.

13 But if I had any documents about it, I

14 produced them for you.

15 Q. So I'll just ask you directly:

16 Have you made a claim with Grant Thornton or

17 the joint liquidators for the amount that you

18 lost on your Stanford CDs?

19 A. I'm not sure. I assume I have

20 because of this -- of this letter.

21 Q. And so I take it you've received no

22 other correspondence from Grant Thornton or

23 the joint liquidators, have you?

24 A. I don't think, since this -- since

25 this one, which I think I wrote myself a note

1 saying they wanted me to send them [REDACTED] on
2 the off chance I might get back 1%, like I
3 have from Mr. Janvey, and that didn't seem
4 like a good exchange.

5 Q. And did you respond to this letter
6 that's Exhibit 52?

7 A. No.

8 Q. Well, if you did receive any money
9 back from the Antiguan joint liquidators, that
10 money would have to be deducted from whatever
11 you recover in this lawsuit, right?

12 A. It would. But I assure you, I have
13 not received anything from them except
14 e-mails.

15 Q. Okay.

16 (Abbott Exhibit 53 marked.)

17 BY MR. BRINKMAN:

18 Q. Do you recognize Exhibit 53?

19 A. I do.

20 Q. What is it?

21 A. It's a certification form from the
22 Janvey receivership.

23 Q. So you sent this to Ralph Janvey,
24 correct?

25 A. Correct.

1 Q. And in number 3 on page 431, it
2 instructs you to identify all sources other
3 than the receivership from which you have
4 applied for compensation.

5 A. That's correct.

6 Q. And it looks like you certify in
7 this form that you had sought compensation
8 from Mr. Holliday in a Mississippi court
9 lawsuit, correct?

10 A. That's correct. I signed that
11 under penalty of perjury, as I read the form.

12 Q. So that's your signature on
13 page 432?

14 A. That is my signature.

15 Q. And you signed under penalty of
16 perjury that there weren't any other sources
17 of recovery that you had applied for, correct?

18 A. That I've received.

19 Q. Well, number 3 on page 431 says,
20 "Identify all sources other than the
21 receivership from which you have applied for
22 compensation," right?

23 A. Correct.

24 Q. And I suppose you didn't indicate
25 to the receiver here that you had made a claim

1 with the Antiguan joint liquidators because
2 you weren't sure if you had?

3 A. At first I wasn't sure -- actually,
4 I don't recall even thinking about that when I
5 completed this form. But I was done with
6 the -- this Grant Thornton group whenever I
7 received this notification.

8 Now it's coming back to me. I
9 wasn't aware that I had completed a claim with
10 those people. There were -- this was years
11 ago, not long -- a year or so after the
12 losses, and we were supposed to deal with them
13 by e-mail. And they sent a form and I do
14 recall filling out the e-mail.

15 Then I tried to contact them
16 because they had not included all of our CDs.
17 And it was -- and of course, I never received
18 anything from them by way of explanation or
19 anything else. And at that time, I assumed I
20 had not completed a claim. And I think the
21 next thing I finally received was your --

22 Q. Exhibit 52?

23 A. -- exhibit, wherever it is.

24 MR. SWANSON: I think it's the next
25 page on that one.

1 Q. One of your CDs matured before
2 Stanford collapsed, correct?
3 A. That's correct. That's the one
4 that I described to you earlier, the [REDACTED]
5 CD which I purchased to pay income tax from
6 the farm sale, and it matured and it was paid
7 in January of 2009, immediately before the
8 Stanford collapse, or I'd be in trouble with
9 the IRS because I wouldn't have had the money
10 to pay the taxes.

11 Q. So Stanford paid you roughly
12 [REDACTED] in January of 2009.

13 A. That's correct.

14 Q. Why have you filed a claim for that
15 amount with the receiver if you've already
16 been paid it?

17 A. I did not file --

18 Q. I thought you said that your --

19 A. -- a claim for that amount with the
20 receiver.

21 Q. I thought you said you had filed
22 claims totaling [REDACTED], correct?

23 A. That's correct.

24 Q. Which was the principal amount of
25 your investment in all of your CDs, correct?

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1 deals with that -- that's the London bank,
2 correct?

3 Q. Yes.

4 A. That's the London bank, correct,
5 that I'm referencing here?

6 Q. Well, do you know where HSBC is
7 based?

8 A. In London, or in England.

9 Q. Okay.

10 A. Just making sure I was referring to
11 the correct bank.

12 Q. So why is it that you believe HSBC
13 should have known -- knew or should have known
14 that Stanford was perpetrating a fraud? And I
15 know what's written in the Complaint. I want
16 to know why you believe that's the case.

17 MR. SWANSON: Object to the form of
18 the question.

19 A. I have no personal -- I've never
20 dealt with any of these five banks, okay? And
21 I have met with our attorneys, who I respect.
22 And I have looked carefully through the class
23 action Complaint, and so I'm basing what I'm
24 saying upon what I think are well pleaded
25 allegations, and these gentlemen are familiar

1 with Rule 11 in the Federal Rules of Civil
2 Procedure, that there's reasonable grounds for
3 the allegations that are made; and that's what
4 I'm basing my statements on.

5 BY MR. BRINKMAN:

6 Q. Okay. So why is it that HSBC knew
7 or should have known that Stanford was a
8 fraudster?

9 A. Because they were regulated, all of
10 the banks were, in some regard, with
11 regulations to protect the public. They're
12 supposed to know their -- know their
13 customers, they're supposed to know, with the
14 millions and millions of dollars involved
15 here, exercise due diligence in investigating
16 where funds come from with regard to all sorts
17 of transfers.

18 There are anti-money laundering
19 laws that would direct them to look carefully
20 at what Stanford's up to. I think Stanford
21 was on a -- personally on the list of those to
22 be watched. They knew the funds were coming
23 from Antigua, which was on another list of
24 highly suspect countries for money laundering
25 and frauds.

1 plaintiff was last night?

2 A. That's correct, in person.

3 Q. Okay. And do you know when you
4 retained Mr. Morgenstern to be your attorney
5 in this case?

6 A. Prior to -- I think the suit was
7 filed in what, August 23rd of 2009, so it had
8 been some period of time before that.

9 Q. So you retained Mr. Morgenstern
10 sometime before August of 2009?

11 A. If that's the correct date.

12 Q. And yesterday was the first time
13 you met with him about the case?

14 A. That's correct.

15 Q. Do you remember when you retained
16 Fishman Haygood to represent you in this case?

17 A. Not precisely.

18 Q. Can you give me a ballpark?

19 A. I'm not good on time spans. At my
20 age, if you say a couple of years, it's 20. I
21 don't know, six months ago.

22 Q. Did you review the Complaint in
23 this lawsuit before it was filed? And I'm
24 speaking about the original Complaint.

25 A. Way back? Yeah, I think I -- yeah,

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1 own Complaint, which at some point I think was
2 incorporated into the Complaint, the Class
3 Action Complaint.

4 Q. Okay. So let's take -- the OSIC
5 Complaint, did you review that?

6 A. I don't recall reviewing that.

7 Q. Now, do you know that the class
8 moved to include the OSIC Complaint in the
9 class Complaint?

10 A. Yes.

11 Q. And how did you know that?

12 A. I received some information about
13 that and it was listed in the Second Amended
14 Complaint in the procedural history.

15 Q. Okay. Did you read that Complaint
16 before it was filed?

17 A. Which Complaint?

18 Q. The OSIC -- the class Complaint
19 moving to intervene -- moving to adopt the
20 Complaint filed by OSIC.

21 A. I don't recall having read that.

22 Q. Do you know how many of those
23 Complaints there were?

24 A. No.

25 Q. And have you ever read the OSIC

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1 Complaint which the class adopted?

2 A. Not that I recall.

3 Q. And how was the decision made by

4 the named plaintiffs to decide to go ahead and

5 file the amended Complaint?

6 A. Which amended Complaint are you
7 referring to?

8 Q. The first one that adopted the OSIC
9 Complaint.

10 A. I don't recall.

11 Q. Was there a meeting? Were you
12 polled?

13 A. I just do not recall.

14 Q. Okay. You said your role as a
15 class representative is to monitor the
16 activities of the lawyers, but you didn't
17 review the amended Complaint before it was
18 filed?

19 MR. SWANSON: Object to the form of
20 the question.

21 A. Not that I recall.

22 BY MR. PLOTKIN:

23 Q. Okay.

24 A. You're referring back into 2009,
25 correct?

1 the documents that you had requested from me,
2 and they came up for me to give them what I
3 had produced, what I had, and to see what I
4 had.

5 Q. And approximately how long did that
6 meeting last?

7 A. That meeting, three to four hours.
8 I had done a week's worth of work in getting
9 everything organized where I could just show
10 them what I had, and they then took it with
11 them. And then we corresponded back and forth
12 getting it to you.

13 Q. Okay. And you said earlier that
14 you reviewed drafts of the motion to certify
15 the class as well as the motion to certif- --
16 to amend -- to file the Second Amended
17 Complaint. Is that correct? Do I have that
18 right?

19 A. I know that I reviewed a draft of
20 the Second Amended Complaint.

21 Q. Okay.

22 A. And I really don't recall one way
23 or the other whether I reviewed a draft of the
24 motion to certify the class.

25 Q. Okay. When you reviewed the

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1 filing of the Complaint.

2 Is that -- did I state it
3 correctly?

4 MR. SWANSON: No. No, no, no.

5 MR. PLOTKIN: Please put it on the
6 record.

7 MR. SWANSON: What I did say is
8 that I'd give you the dates that the
9 things were sent. I'm not going to give
10 you any attorney-client information, no.

11 MR. PLOTKIN: Okay. I
12 misunderstood. But that's satisfactory.

13 MR. SWANSON: Yeah, I will give you
14 that, though.

15 MR. PLOTKIN: Give us the dates.

16 That's fine. I apologize for misstating
17 it.

18 MR. SWANSON: No, that's okay.

19 BY MR. PLOTKIN:

20 Q. Okay. So let's go back, then. We
21 were talking about the motion for class
22 certification, which you have seen?

23 A. Yes, I have.

24 Q. But I think right before the break
25 you testified that you had not seen any of the

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1 18 exhibits that were attached to it. Is that
2 correct?

3 A. That's correct.

4 Q. And within each of those different
5 exhibits, there were multiple other documents,
6 a 2(a), a 2(b), a 2(c), for example. You
7 haven't seen any of those documents either.

8 A. Is that correct?

9 A. Not as exhibits.

10 Q. Okay. Do you know what they are?

11 A. No.

12 Q. In your role as monitoring counsel
13 to handle the class action, did you feel any
14 responsibility to review those exhibits before
15 they were filed?

16 A. No, unless some controversy arose
17 that I needed to be looking at.

18 Q. And since they were filed, did you
19 feel any responsibility to look at them?

20 A. I will probably spend some more
21 time looking at a number of these documents
22 when there's more time available.

23 Q. Well, your deposition is today.
24 It's been scheduled for several weeks. Did
25 you have the opportunity to review those

1 exhibits prior to the deposition?

2 A. I don't understand your question.

3 Q. Has your deposition been scheduled
4 for several weeks?

5 A. Yes.

6 Q. And is there any reason why you
7 couldn't have reviewed the exhibits prior to
8 today?

9 A. They weren't available. I didn't
10 get a copy of them, as I recall.

11 Q. Have you ever gotten a copy of
12 them?

13 A. I don't believe so at this time.

14 Q. Do you understand what the
15 significance or the purpose of the exhibits
16 is?

17 A. Yes.

18 Q. What?

19 A. To support various allegations that
20 are made in the motion or the Complaint.

21 Q. Okay. And you didn't believe that
22 that was something you needed to review to
23 make sure that they actually supported the
24 allegations?

25 A. Not unless there was something that

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1 was brought to my attention as being of real
2 moment, and even though I did have a week or
3 so, I spent the time that I had reading 126
4 pages of the Second Amended Complaint and then
5 the motion itself.

6 Q. Okay. So let me ask you, what's
7 your understanding of what -- what is a
8 banker's blanket bond? Do you know that?

9 A. I do not know that.

10 Q. Do you know what role Lloyd's of
11 London played in the Ponzi scheme committed by
12 Allen Stanford?

13 A. All I know is from reading some
14 articles quite a while ago. But as I recall,
15 Lloyd's of London had a policy -- 10 million
16 comes into play, or maybe more -- that was to
17 cover something, and it was a lot of
18 litigation. I think Allen Stanford wanted the
19 policy to cover his defense in the case and
20 that went round and round. That's all I know.

21 Q. Okay. And you learned that from
22 reading newspaper articles after the collapse
23 of Stanford?

24 A. Magazine and newspaper articles.

25 Q. Okay. So it would be fair to say

1 Q. The fact that you had this account
2 at Stanford in Antigua, to get his advice?

3 A. No.

4 Q. Who is your tax preparer?

5 A. A gentleman named Billy Rhodes.

6 Q. Okay. And where is he located?

7 A. Oxford, Mississippi.

8 Q. Now, you first invested in a CD in
9 2007?

10 A. 2006.

11 Q. '6, okay. And you were receiving
12 interest on that CD every month, right?

13 A. I was receiving a statement that
14 said interest was accruing. I never withdrew
15 any interest.

16 Q. Well, the interest was accruing in
17 your account, correct?

18 A. Allegedly.

19 Q. At the time you believed it was
20 real interest --

21 A. At the time I believed, oh,
22 absolutely.

23 Q. Okay. Did you think that you had
24 any obligation to report interest income on
25 your tax returns?

1 A. It never occurred to me.
2 Q. Did it ever -- did you ever discuss
3 it with your tax advisor?

4 A. No. I gave him all of the 1099's
5 that I received, and I guess since I never got
6 a 1099, it never -- I keep them all and give
7 them all to my accountant at the appropriate
8 time.

9 Q. Okay. So you would have started
10 receiving interest in '06. Is that correct?

11 MR. SWANSON: Object to the form of
12 the question.

13 BY MR. PLOTKIN:

14 Q. Is that correct?

15 A. Correct.

16 Q. And you would have received
17 interest in '07.

18 A. Correct.

19 Q. And in '08.

20 A. Correct.

21 Q. Okay. Did you file tax returns for
22 each of those years?

23 A. Yes.

24 Q. Have you filed any amendments to
25 those tax returns?

1 A. No.

2 Q. Why?

3 A. Never crossed my mind. My
4 accountant, who is totally aware of all of
5 this now, never mentioned that that was
6 something we should do.

7 Q. Okay. On any of your tax returns
8 since 2010, have you taken any losses for the
9 Stanford investments on CDs?

10 A. Yes.

11 Q. And why did you do that?

12 A. There was some special legislation
13 passed, which my accountant was aware of, that
14 allowed you to take a loss -- I think it
15 happened in the Madoff matter also -- for
16 losses through the Stanford CDs. Of course,
17 that only applied to those that were not tax
18 sheltered.

19 Q. Right. So you took advantage of
20 that.

21 A. I did.

22 Q. Okay.

23 MR. PLOTKIN: What's our next?

24 THE REPORTER: 58.

25 (Abbott Exhibit 58 marked.)

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1 In the Complaint that you filed in
2 Mississippi State court, I notice that you
3 only listed five out of the six CDs that you
4 purchased. Is there any reason why you didn't
5 mention the sixth one?

6 A. It had been cashed in. It matured
7 and I received the money.

8 Q. And you didn't think that was
9 important or relevant to include in your
10 statement in the case?

11 A. No.

12 Q. Might it have given the impression
13 that this was a legitimate enterprise because
14 you got paid?

15 A. Never thought about it one way or
16 another. I viewed it, I think, from
17 establishing our losses.

18 Q. When did you receive payment on the
19 CD that you were reimbursed on?

20 A. In January of 2009.

21 Q. And did you -- did you know that
22 the CD was maturing?

23 A. Yes.

24 Q. And did you have conversations with
25 your financial advisor about that?

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1 A. Yes. As I testified earlier, when
2 we purchased the [REDACTED] CD from the proceeds
3 of the sale of the farm, which is all the rest
4 of the CDs were to mature in three years,
5 okay -- I purchased a [REDACTED]CD to mature in
6 one year so that it would mature in January so
7 I could use the funds to pay the income taxes
8 that were going to be due, which were about
9 that amount, because of the sale of the farm.

10 Q. Okay. So let me see if I can --
11 did you call Mr. Holliday and tell him you
12 wanted to redeem the certificate of deposit?

13 A. Yes. I called his office.

14 Q. And did you speak with him?

15 A. I think I spoke with a lady named
16 Tina Moore, who was his secretary or
17 assistant, and just told her that we wanted
18 to -- didn't want to re-up, we wanted to cash
19 it in.

20 Q. And to the best of your
21 recollection, what did she tell you?

22 A. That she would put the steps in
23 progress and it would take a couple of weeks,
24 I think she said.

25 Q. Okay. And did you talk to

Page 202

1 Mr. Holliday with regard to redeeming this
2 certificate of deposit after you had that
3 phone call?

4 A. I don't recall specifically,
5 although he knew -- he was there when he sold
6 it to me and knew what the purpose of it was
7 and that it would be redeemed when it matured,
8 because I needed to pay the taxes. And he was
9 privy to all of our financial everything.

10 Q. Okay. And so there -- your CD was
11 redeemed about a month before the freeze hit
12 the Stanford accounts? Is that correct?

13 A. Thank you, Lord, that is correct.

14 Q. And with regard to your brokerage
15 accounts that Mr. Holliday handled for you,
16 have you been able to recover the funds that
17 were in those accounts?

18 A. Yes. They were frozen --

19 Q. Yes.

20 A. -- initially. And -- anyway, they
21 were frozen initially and then they were
22 released, and yes.

23 Q. So -- and approximately how much
24 was that that was released to you?

25 A. REDACTED

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1 Q. And this time --

2 A. I started high school in 1957.

3 Q. Let me make the question easier. I
4 didn't mean to step on your answer.

5 For your current residency in
6 Mississippi, how long have you been there?

7 A. In Oxford, Mississippi?

8 Q. Doesn't matter whether it's Oxford,
9 but going back from 2015, sitting here today,
10 when was the last time you lived outside of
11 Mississippi? Let's ask it that way.

12 A. I've been domiciled in Mississippi
13 since 1957.

14 Q. Okay. And you certainly were
15 living there in 2005, 2006, up to today. Is
16 that right?

17 A. Correct.

18 Q. Okay. And when you first invested
19 with Mr. Holliday, you were living in
20 Mississippi. Is that right?

21 A. That is correct.

22 Q. Mr. Holliday was living in
23 Mississippi?

24 A. That is correct.

25 Q. And when you first invested with

Page 216

1 Mr. Holliday at Stanford, you were living in
2 Mississippi. Is that right?

3 A. That is correct.

4 Q. And Mr. Holliday was living in
5 Mississippi. Is that right?

6 A. Yes.

7 Q. And when you did business with
8 Mr. Holliday in connection with your
9 investments with Stanford, various Stanford
10 entities, you were always in Mississippi when
11 you did that business, weren't you?

12 A. That's correct.

13 Q. So when you purchased these CDs,
14 you purchased them in Mississippi, correct?

15 A. That is correct.

16 Q. And he sold them to you in
17 Mississippi?

18 A. He did.

19 Q. And that's true for all of the six
20 CDs that you purchased?

21 A. Yes.

22 Q. Okay. And you knew -- let's look
23 at Exhibit 48, and specifically I'm going to
24 direct you to the Bates-labeled page

25 ABBOTT_000462.

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1 misrepresentations in Count II, where you list
2 the specific misrepresentations you're suing
3 on in this Complaint?

4 A. You'd have to ask Mr. Hodge that.

5 Q. But you agree with me they're not
6 listed there?

7 A. They're not in those words.

8 Q. Paragraph 10, which follows the
9 paragraph that you just read, begins, "Based
10 upon Defendant Holliday's recommendation and
11 his description of the safety of the
12 certificates of deposit and the good return on
13 those investments," you purchased the first CD
14 and then purchased subsequent CDs. Is that
15 correct?

16 A. That is absolutely correct.

17 Q. And in fact, that is what your
18 purchase depended on, the statements of
19 Mr. Holliday?

20 A. Totally. I've never heard of
21 Stanford or the CDs or anything else, from
22 anybody, till he appeared with this
23 presentation.

24 Q. You mentioned earlier that you took
25 a loss on your tax return as a result of your

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1 losses in the CDs.

2 A. That's correct.

3 Q. Do you know what the -- to date,

4 the dollar value to you was of taking that

5 loss?

6 A. No.

7 Q. Are you carrying forward the loss

8 for future returns as well?

9 A. I don't think so.

10 Q. And you have no estimate of what

11 amount of taxes you didn't have to pay as a

12 result of your losses in the CDs?

13 A. General estimate, it's in the [REDACTED]
[REDACTED], would be my best guess.

15 Q. If you will look with me at

16 Exhibit 46, which is your account application

17 and agreement?

18 A. Oh. I'm going to keep these in
19 order for us.

20 Q. If you'll let me know when you're
21 there.

22 A. I'm there.

23 Q. I'm going to look specifically
24 at -- it's page 3 of 7 or Bates label 597,
25 whichever is easier for you to find.

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1 Q. Going back to this form,
2 Exhibit 46, at the time you filled it out you
3 said your net worth was somewhere between
4 **REDACTED**. Is that right?

5 A. We can stay around the **REDACTED**.

6 Q. You think it was close to
7 a million?

8 A. Yes.

9 Q. This is in 2006.

10 A. Yes.

11 Q. And the first CD you bought from a
12 Stanford entity was for what dollar value?

13 A. **REDACTED**.

14 Q. Where was the rest of your
15 approximately -- we'll call it **REDACTED** that
16 you were including in your net worth at the
17 time you filled this out, in what kind of
18 holdings did you have it?

19 A. It was all -- all of that would
20 have been, except for some small bank
21 accounts, with Mr. Holliday with Stanford.

22 Q. Okay. Well, first with EFP,
23 correct? At the time you filled this out you
24 didn't have an account with Stanford. This is
25 your account opening document.

1 they're the successor to Bank of Houston.

2 You testified a few minutes ago that
3 you had absolute faith in John Mark Holliday;
4 true?

5 A. That is true.

6 Q. And then you testified a little
7 earlier, and I wrote it down, you said you
8 absolutely and totally relied on the
9 statements of Mr. Holliday. Is that true?

10 A. That's correct, with regard to --
11 as our financial advisor.

12 Q. Absolutely.

13 A. Yeah.

14 Q. Now, what I want to know is we've
15 got five banks sued here today. Can you tell
16 me of any statements that any of these banks
17 made that you've relied upon?

18 A. I've had no dealings with any of
19 these -- of the five banks that are defendants
20 in this lawsuit.

21 Q. And because of that, none of these
22 banks made any statements to you that you
23 relied upon, did they?

24 A. That's correct. I've had no
25 dealings with any of them.

1 some of that CD money allegedly?

2 A. I don't know in details, any
3 details concerning that.

4 Q. Is that the sort of thing you as a
5 lawyer -- and you practiced law for a few
6 years; true?

7 A. I did.

8 Q. You would want to know what the
9 specific allegations are about a party before
10 suing them; true?

11 A. Say that again?

12 Q. Yeah. Before you sue someone, you
13 want to know what the specific allegations are
14 against them; true?

15 A. That's correct. At least as far as
16 the persons involved in the lawsuit, such as
17 our attorneys, it needs to be under Rule 11 a
18 sufficient investigation to think that you've
19 got a material basis for the allegations that
20 are made.

21 Q. Understood.

22 Have you told me everything you can
23 think of that you're currently, at this
24 moment, aware of which you believe the Bank of
25 Houston did which was inappropriate or

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1 unlawful?

2 A. I've had no personal dealings, as I
3 stated, with the Bank of Houston or any of
4 these banks. And I was basing my statements
5 upon, and will, the allegations that were made
6 in the amended Complaint.

7 MR. REPASS: Pass the witness.

8 FURTHER EXAMINATION

9 BY MS. REED:

10 Q. Just very briefly, Professor.

11 THE VIDEOGRAPHER: You want a
12 tripod?

13 MS. REED: Oh, that would be even
14 better.

15 (Discussion off the stenographic
16 record.)

17 BY MS. REED:

18 Q. Professor Abbott, if you'll go back
19 to Exhibit 61, which is the Complaint.

20 A. Yes, ma'am, I'm there. I think.
21 Yeah.

22 Q. So if you look at paragraph 20, you
23 allege there that Defendant Holli- --

24 A. Wait just one second. I'm not to
25 paragraph 20. Yes.

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1 fiduciary duty to the general public in your
2 view?

3 A. If they're dealing with the -- if
4 they're dealing with the general public or
5 with assets of the general public, I would
6 think in most relationships they would.

7 Q. You think that banks who deal with
8 the public would have a general duty to the
9 public as opposed to a fiduciary duty to their
10 particular customers?

11 A. I think what you just stated is
12 what I just answered. I think that there's a
13 bodies of laws that create -- that banks must
14 act in a certain way to protect the general
15 public but that they would have a fiduciary
16 duty to those who actually are affected by or
17 deal with the banks themselves.

18 Q. You aren't alleging that you have
19 any kind of relationship with or did any
20 business with any of the banks that you're
21 suing in this litigation, are you?

22 A. No. I'm not alleging any direct
23 contact, personal contact, with any of those
24 banks.

25 Q. Judge Godbey, do you know whether

1 Judge Godbey governs or in any way manages the
2 Antiguan liquidation process?

3 A. I do not know.

4 Q. Do you have any reason to believe
5 that he does?

6 A. No.

7 Q. Do you have any idea what the
8 Antiguan law is on preference payments?

9 A. Absolutely not.

10 Q. Do you have any knowledge of how
11 many class members of the class that you
12 propose to represent have made claims in the
13 Antiguan liquidation process?

14 A. I do not know.

15 Q. Do you know how --

16 A. I know there's 17,000, as I
17 understand it, in the Janvey claims process.

18 I'm not privy to what's going on with the
19 Antiguan.

20 Q. You don't know how many of those
21 proposed class members might have made claims
22 only in the Antiguan procedure?

23 A. No.

24 Q. Or only in the U.S. procedure?

25 A. No.

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1 Q. Or in both, like you did?

2 A. No.

3 Q. And do you plan to take any steps

4 to find out what obligations you might have,

5 if any, under Antiguan law in connection with

6 that preference payment claim letter you

7 received?

8 A. No.

9 Q. So if it turns out under Antiguan

10 law that in fact you owe that REDACTED back to

11 the receivership or to the joint liquidators,

12 you have no intention of complying with that

13 obligation?

14 A. Only if I were ordered by a court

15 to do so.

16 MS. REED: I'll pass the witness.

17 FURTHER EXAMINATION

18 BY MR. REPASS:

19 Q. I'm sorry, I've got to clear up one

20 thing. I'm just going to roll like this.

21 Sir, I want to make sure I understood

22 what you just testified to. I believe you

23 testified that under various statutes and

24 regulations and so forth, it's your opinion

25 that the bank defendants owe a duty to the

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3	Exhibit 46	Stanford Account Application and Agreement, ABBOTT_000595 to 601	38	11
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6	Exhibit 47	Stanford SEP Account Statement, ABBOTT_000025 to 29	40	3
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11	Exhibit 50	Stanford Monthly Report, December 2008	64	14
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13	Exhibit 51	E-mail to John Mark Holliday from Guff Abbott, 9/22/2008; ABBOTT_000700	73	7
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15	Exhibit 52	E-mail to gtabbott@ms.metrocast. net from Marcus Wide & Hugh Dickson dated 27 Jan 2014, and Attachment; ABBOTT_000010 to 12	79	16
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18	Exhibit 53	Certification Form, ABBOTT_000431 to 433	82	16
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21	Exhibit 54	E-mail to Angie Kogutt from Guthrie Abbott dated Mon, 13 Feb 2012; ABBOTT_000556	98	9
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23	Exhibit 55	Stanford Victims Coalition Questionnaire; ABBOTT_000586 to 590	107	16
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1	Abbott		
2		Page Line	
3	Exhibit 56	Stanford Report	109 2
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4		- 11/12/2008;	
		ABBOTT_000052 to 65	
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6	Exhibit 57	Stanford Letter to	142 1
7		Mr. & Mrs. Steven	
8		Queyrouze dated May	
9		13, 2008, from Jason	
10		Green, President,	
11		Private Client Group;	
12		QUEYROUZE_006123 to	
13		6124	
14	Exhibit 58	Stanford Letter to	194 25
15		Steve and Anne	
16		Queyrouze dated	
17		October 29, 2008, from	
18		Grady J. Layfield;	
19		QUEYROUZE_001228 to	
20		1229	
21	Exhibit 59	Stanford Letter to	198 23
22		Mr. and Mrs. Steve	
23		Queyrouze dated August	
24		4, 2009;	
25		QUEYROUZE_001728 to	
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18	Exhibit 60	E-mail Chain ending	253 23
19		with E-mail to	
20		Holliday from Abbott	
21		dated 7/12/2008;	
22		ABBOTT_000698 to 699	
23			
24	Exhibit 61	Complaint in Abbott &	220 16
25		Munn v. John Mark	
		Holliday in Chancery	
		Court of Lafayette	
		County, MS	

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EXHIBIT 69

Page 1

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF TEXAS
2 DALLAS DIVISION

3 PEGGY ROIF ROTSTAIN, ☷
et al., ☷
4 ☷
Plaintiffs, ☷
5 ☷ Case No.
v. ☷ 3:09-CV-2384-N-BG

7 TRUSTMARK NATIONAL
BANK et al

⁸ Defendants.

12 VIDEOTAPED DEPOSITION OF SARAH ELSON-ROGERS
13 Houston, Texas
14 Tuesday, June 9, 2015

23 Reported by:
24 SUSAN PERRY MILLER, CSR, CCR, RDR, CRR, CBC
25 JOB NO. 94154

Page 3

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19 VIDEO TECHNICIAN:

20

21 Robert Birdsall, TSG REPORTING

22

23

24

25

--oo--

1 been filed --

2 A. Uh-huh.

3 Q. -- in this case. Is that right?

4 A. Yes.

5 Q. Have you ever reviewed the First
6 Amended Complaint that was filed in the
7 action?

8 A. In 2009?

9 Q. Right.

10 A. Yes.

11 Q. And when did you review that?

12 A. I would have reviewed it when it
13 was filed back in 2009.

14 Q. Have you ever reviewed the
15 Complaint filed by the official Stanford
16 Investors Committee in this case?

17 A. I haven't reviewed the specific
18 Complaint, but I understand they initially had
19 a separate Complaint.

20 Q. Do you know how many Complaints the
21 committee has filed?

22 A. I don't know.

23 Q. Have you reviewed the motion to
24 substitute class representatives that was
25 filed in 2015?

Page 29

1 A. Yes.

2 Q. When did you first review that
3 document?

4 A. I first reviewed that document, I
5 think, soon after I signed up to become a
6 class representative.

7 Q. Do you know if you reviewed that
8 document before it was filed?

9 A. I'm not absolutely sure, no.

10 Q. Have you reviewed the motion to
11 certify a class that was filed in this case?

12 A. Yes.

13 Q. And when did you first review that
14 document?

15 A. Again, within the past few weeks or
16 few months, but I'm not able to identify an
17 exact time.

18 Q. Do you know if you reviewed a draft
19 of that document or if you reviewed it in its
20 final format?

21 A. I believe in its final format.

22 Q. And do you know if you reviewed it
23 before it was filed?

24 A. I don't know.

25 Q. Have you reviewed any of the

1 materials that were in the appendix to the
2 motion for class certification?

3 A. No.

4 Q. How did you first hear of Stanford?
5 A. We had a financial advisor who
6 operated with us in Thessaloniki and she
7 introduced us to a broker from Stanford
8 Financial Group.

9 Q. What was the name of your
10 investment advisor?

11 A. Her name was Jacqui Jagger -- when
12 we first worked with her, Jacqui Ruane -- she
13 married in the time that we were using her as
14 an advisor -- and the Stanford Financial
15 Group's advisor was James Cross.

16 MR. PLOTKIN: I'm sorry, could you
17 repeat the name?

18 THE WITNESS: James Cross.

19 MR. PLOTKIN: And if you could
20 speak -- continue to speak up a little.

21 THE WITNESS: I'm sorry.

22 MR. PLOTKIN: Thank you.

23 BY MS. KLEBER:

24 Q. How did you meet Mrs. or Ms. Ruane?
25 A. I met her in Thessaloniki, and we

1 A. It was about the same at that time.

2 Q. And we just walked through a number
3 of investments. Was Ms. Ruane managing all of
4 those investments for you back in 2004?

5 A. Yes.

6 Q. And did she recommend that you
7 invest in a Stanford CD?

8 A. Yes.

9 Q. When was that, do you recall?

10 A. Around -- it would be early
11 two-thousand- -- no, I'm sorry. It would be
12 around mid 2005 that she introduced us to
13 James Cross.

14 Q. Had she given any information to
15 you before -- about Stanford before she
16 introduced you to Mr. Cross in mid 2005?

17 A. She gave -- if I recall correctly,
18 she gave us the brochure.

19 (Elson-Rogers Exhibit 63 marked.)

20 BY MS. KLEBER:

21 Q. At this time, I am passing you what
22 I've just marked as Exhibit 63.

23 MR. SWANSON: Thank you.

24 BY MS. KLEBER:

25 Q. And if you'll look at the second

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1 e-mail in that chain, the earliest in time,
2 it's an e-mail from Jacqui Jagger, who I guess
3 became Ruane later --

4 A. Uh-huh, yep.

5 Q. -- to your husband --

6 A. Yep.

7 Q. -- dated November 24th, 2004. Do
8 you see that?

9 A. I do.

10 Q. And she says, "My apologies for not
11 supplying you with the relevant information on
12 Stanford Bank. The literature is on the way
13 to you today by courier."

14 Do you see that?

15 A. Yes.

16 Q. And do you recall what materials
17 she provided to you by courier?

18 A. I believe it was the -- it was like
19 a folder, which we still have today, with a
20 picture of the bank on the front.

21 Q. And this discussion in
22 November 2004, is that around the first time
23 you had ever heard of Stanford?

24 A. Yes.

25 (Elson-Rogers Exhibit 64 marked.)

1 BY MS. KLEBER:

2 Q. Now I'm going to hand you what I
3 have just marked as Exhibit 64. Do you
4 recognize this document?

5 A. Yes.

6 Q. A moment ago, you mentioned a
7 brochure that had a picture of the bank on the
8 front. Is this the brochure you're referring
9 to?

10 A. Yes.

11 Q. And did you review these materials
12 when you received them in November of 2004?

13 A. I don't recall exactly when we
14 would have reviewed them.

15 Q. At some point, you reviewed them
16 before making your investment decision?

17 A. Right.

18 Q. And did these materials influence
19 your decision to invest in the Stanford CDs?

20 A. It's a difficult question to answer
21 because we were -- we would have been
22 influenced by a host of factors, of which this
23 would have been one.

24 Q. Did you also have some just verbal
25 discussions with Ms. Ruane about Stanford?

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1 A. Yes.

2 Q. And what did she tell you about
3 Stanford?

4 A. As I recall, we had -- I'm trying
5 to remember if there was -- whether there was
6 anything specific that's not included here.

7 We were -- at that point in our --
8 we had just got married. At that point, I was
9 pregnant with our first child. We were
10 obviously, as you can see, in Greece, and we
11 were both earning well, and we had a very
12 small cost of living in Greece, so we were
13 looking for somewhere to safely put our cash
14 that we had sitting in a bank account in
15 Greece.

16 Does that answer the question?

17 Q. Well, I'll rephrase. Did you ask
18 Ms. Ruane if she had options for you to safely
19 invest your money along those lines?

20 A. We would have had quite regular
21 contact, I think, about different options.

22 Q. And when Ms. Ruane presented you
23 with the Stanford CD option --

24 A. Uh-huh.

25 Q. -- do you remember any specifics

1 about what she told you?

2 A. Only insofar as that it was safe,

3 secure and liquid. Beyond that, nothing more

4 specific than that.

5 Q. You recall that you did have an
6 actual conversation about it with Ms. Ruane?

7 A. Yes, with her, and also with James
8 Cross.

9 Q. Now, who is James Cross?

10 A. James Cross worked for Stanford
11 Financial -- Financial Group, the broker house
12 in Houston.

13 Q. And did Ms. Ruane introduce you to
14 Mr. Cross?

15 A. Yes.

16 Q. Do you recall when you or your
17 husband first spoke with Mr. Cross?

18 A. I thought it was later than this.
19 I actually thought it was 2005, but clearly
20 I'm not remembering correctly. But we met
21 with him physically.

22 (Elson-Rogers Exhibit 65 marked.)

23 BY MS. KLEBER:

24 Q. Let me hand you Exhibit 65. And
25 this is an e-mail from Mr. Cross to your

Page 44

1 Q. And it shows an Antigua address.

2 Do you see that?

3 A. Yes.

4 Q. Did you understand that Mr. Cross'
5 office was out of Antigua?

6 A. Well, there's a -- we have a
7 Belgian telephone number there. I'm not sure
8 that we questioned the address block,
9 particularly.

10 Q. Did you later form a view as to
11 whether Mr. Cross was operating out of Belgium
12 or Antigua?

13 A. No.

14 Q. So throughout all of your
15 communications with Mr. Cross, you never had
16 any view as to where his office was located?

17 A. No.

18 Q. Did you and your husband -- or your
19 husband ever meet with Mr. Cross in person?

20 A. Yes.

21 Q. When was that?

22 A. I think it was around April 2005,
23 but I'm not absolutely sure. As I said, my
24 first child had recently been born, and he
25 came with Jacqui to our house.

Page 45

1 Q. Let me hand you something that may
2 help.

3 A. Thank you.

4 (Elson-Rogers Exhibit 66 marked.)

5 BY MS. KLEBER:

6 Q. Marked Exhibit 66.

7 A. Oh. So April.

8 Q. And this is an e-mail from

9 Mr. Cross to your husband dated April 25th,

10 2005, correct?

11 A. Uh-huh. Yes.

12 Q. And he says, Mr. Cross says, "It

13 was a pleasure meeting with you and Sarah last

14 Thursday."

15 Do you see that?

16 A. Uh-huh.

17 Q. So does that refresh your memory

18 that in fact the meeting did occur in --

19 sometime in April 2005?

20 THE REPORTER: I didn't hear an
21 answer. I'm sorry.

22 THE WITNESS: I'm sorry. Yes, it

23 does. Thank you.

24 BY MS. KLEBER:

25 Q. And do you recall that meeting he's

1 referring to?

2 A. I do recall it.

3 Q. Where did --

4 A. I recall mostly my daughter being a
5 few weeks old in her baby bouncer, but go
6 ahead.

7 Q. And so did the meeting take place
8 at your home?

9 A. Yes.

10 Q. Okay. And did Ms. Ruane attend as
11 well?

12 A. Yes.

13 Q. Anyone else?

14 A. No.

15 Q. Your husband was there, obviously.

16 A. Yes.

17 Q. What did you discuss at this
18 meeting?

19 A. We would have, from this e-mail,
20 discussed depositing with Stanford. I see
21 that the e-mail subject is "Wire
22 Instructions."

23 Q. What did Mr. Cross tell you about
24 the Stanford CDs during that meeting?

25 A. He reiterated what we'd heard

Page 47

1 already from Jacqui, that these were
2 certificates of deposit with Stanford
3 International Bank, that it was a time deposit
4 with a certain interest rate attached to that
5 time deposit.

6 Q. Did Mr. Cross tell you anything
7 about the security of the Stanford CDs?

8 A. Yes.

9 Q. What did he say?

10 A. He said that they were insured by
11 Lloyd's, and...

12 Q. Did he say anything else?

13 A. No.

14 Q. Did you go over any written
15 materials about Stanford at this meeting?

16 A. I don't recall that -- I don't
17 recall.

18 Q. Earlier we marked Exhibit 64, which
19 was this Stanford brochure.

20 A. Uh-huh.

21 Q. Do you recall if you went over that
22 document at the meeting?

23 A. I don't recall.

24 Q. And you mentioned there was a
25 discussion about insurance.

1 A. Uh-huh.

2 Q. If you turn to -- in this
3 Exhibit 64, if you turn to the page ending in
4 625, it's page 5 of the brochure -- are you
5 there?

6 A. Yes.

7 Q. -- there's a section entitled
8 "Insurance."

9 It says, "SIBL maintains a
10 comprehensive insurance program with the
11 following coverages."

12 Do you see that?

13 A. Yes.

14 Q. Was this specific representation
15 important to you?

16 A. It was one factor.

17 Q. Was it an important factor?

18 A. Yes. But there were other
19 important factors.

20 Q. What were the other important
21 factors?

22 A. As the other points listed here,
23 that it was safe and secure.

24 Q. And you mentioned that Mr. Cross
25 told you that the Stanford CDs were insured by

1 as you understood them?

2 A. Only that he worked for Stanford
3 Financial Group.

4 Q. And so you were basing -- you were
5 working with Mr. Cross based on Ms. Ruane's
6 recommendation?

7 A. That he was also an accredited
8 financial advisor.

9 Q. Back in 2005, did you have an
10 understanding about whether the Stanford CDs
11 provided a higher rate of return than other
12 CDs available in the market?

13 A. No.

14 Q. Did you have no understanding one
15 way or the other? Is that what you're saying?

16 A. Sorry. Can you repeat the
17 question?

18 Q. Did you understand that the
19 Stanford CDs offered a higher rate of return
20 than other CDs available in the market?

21 A. We didn't investigate other CDs.

22 Q. Well, were you told by either
23 Ms. Ruane or Mr. Cross that the CDs offered a
24 higher rate of return than other CDs available
25 in the market?

1 A. Yes.

2 Q. And did that influence your
3 investment decision?

4 A. No.

5 Q. What were your investment
6 objectives at the time you began investing
7 with Stanford?

8 A. Well, as I said, we had -- our
9 investment objective mainly was to find
10 something safe, secure, and liquid, which of
11 course in 2015, looking at this document and
12 knowing what we know now makes -- sounds --
13 well, it sounds as it sounds.

14 Our objectives were -- we were
15 holding too much money in Greece, and so our
16 objective was to find something safer.

17 Q. And did you have particular
18 concerns about holding money in Greece
19 specifically?

20 A. Yes.

21 Q. And what were those concerns?

22 A. Those concerns mainly was that the
23 Greek banking system was looking fragile, but
24 also, we had quite a substantial amount of
25 cash and we didn't want to hold it in one

1 place.

2 Q. Do you know whether your investment
3 objectives were the same as the other
4 17,000-plus proposed class members in this
5 case?

6 A. I don't know that, no.

7 Q. At least some of your objectives
8 were based on the fact that you were in Greece
9 at that time, right?

10 A. Yes. And these -- and we didn't
11 want to invest any more funds in the stock
12 market.

13 Q. And certainly investors investing
14 from countries other than Greece might have a
15 whole different set of concerns than what you
16 had. Is that right?

17 A. That's what you've just said.

18 Q. Do you agree with that statement?

19 A. I think there were a standard range
20 of factors that would have made Stanford
21 International Bank sound attractive.

22 Q. That wasn't exactly my statement.
23 I'm trying to get at whether you believe your
24 particular situation, your location in Greece
25 that we've talked about --

1 Q. Do you ever -- do you recall ever
2 seeing a Stanford annual report?

3 A. No.

4 Q. Do you know if any of the other
5 17,000-plus class members received annual
6 reports?

7 A. I don't know.

8 Q. I'd like to talk to you now about
9 the various CDs you purchased and redeemed
10 from 2005 to 2009. And for ease of reference,
11 I'm going to hand you an exhibit that I
12 believe contains your account statements.

13 (Elson-Rogers Exhibit 67 marked.)

14 BY MS. KLEBER:

15 Q. I'm passing you what I've just
16 marked as Exhibit 67.

17 MR. SWANSON: Thank you.

18 BY MS. KLEBER:

19 Q. Do you recognize this document?

20 A. Yes.

21 Q. Is this the claim that you filed
22 with the United States receiver?

23 A. Yes.

24 Q. And did you attach all of the
25 account statements that you had in your

Page 69

1 possession to this claim form?

2 A. Yes. And if I recall correctly,
3 there's one missing.

4 MR. PLOTKIN: I'm sorry, could
5 you --

6 THE WITNESS: If I recall
7 correctly, there's one statement
8 missing.

9 BY MS. KLEBER:

10 Q. Do you recall which statement is
11 missing?

12 A. I believe it was one in 2008.

13 Q. Okay. We'll come to that. Let's
14 turn to the document with the Bates label
15 ending in 88, please. And this appears to be
16 the first account statement in the packet
17 dated June 30th, 2005.

18 Do you see that?

19 A. Yes.

20 Q. And this statement reflects that
21 your first Stanford CD purchase was in
22 May 2005. Do you see that?

23 A. Yes.

24 Q. And that CD was a 12-month fixed CD
25 that you purchased in euros, correct?

Page 84

1 statement, there are five fixed CDs that are
2 listed, right?

3 A. Five -- sorry, which page are you
4 looking at now?

5 Q. I am now -- from pages 106 to 107.

6 A. Okay. I can see one, two, three --
7 yes.

8 Q. Now, the fixed CD **REDACTED** is listed
9 but there's no balance in CD -- in that CD.
10 Is that because you've already redeemed it?

11 A. We received a transfer when we
12 arrived in the States. I'm putting two and
13 two together and assuming that it's that one.

14 Q. And then the next CD, **REDACTED**--

15 A. Uh-huh.

16 Q. -- this CD shows that in

17 November 2008, you withdrew **REDACTED**

18 **REDACTED**

19 A. Right.

20 Q. -- from that account?

21 A. Uh-huh.

22 Q. Do you recall making that

23 withdrawal?

24 A. As well as I recall anything from

25 November 2008.

1 Q. Do you recall why you made the
2 withdrawal?

3 A. We purchased a house in
4 November 2008.

5 Q. And then the statement shows that
6 there is approximately REDACTED still in that
7 account, right?

8 A. Right.

9 Q. The next statement is -- the next
10 CD on the statement is REDACTED. Do you see
11 that?

12 A. Yes.

13 Q. And that one is also empty,
14 correct?

15 A. Yes.

16 Q. Did you also redeem that CD?

17 A. I don't recall.

18 Q. And the next is account number
19 REDACTED. Do you see that?

20 A. Yes.

21 Q. That CD appears to have a balance
22 of approximately REDACTED.

23 A. Yes.

24 Q. Right? And next is REDACTED.

25 A. Uh-huh.

1 Q. That CD has a balance of
2 approximately [REDACTED]. Is that right?

3 A. Yes.

4 Q. Now, are these five CDs and then
5 the account for the [REDACTED], are those the
6 assets that you had with Stanford at the time
7 Stanford went into receivership?

8 A. I believe so.

9 (Elson-Rogers Exhibit 70 marked.)

10 BY MS. KLEBER:

11 Q. I'm handing you now what I've just
12 marked as Exhibit 70. Sorry.

13 Do you recognize this document?

14 A. Yes.

15 Q. What is this?

16 A. This is the declaration that --
17 that was prepared regarding my position as a
18 class representative.

19 Q. And do you understand that this
20 declaration was filed with the plaintiffs'
21 motion for class certification with the court?

22 A. Yeah.

23 Q. Did you write this declaration
24 personally or did counsel prepare it for you?

25 A. Counsel prepared it.

1 Q. Paragraph 3 says you are the
2 beneficial owner of CDs, "including those
3 issued in or around the following dates."
4 Do you see that?
5 A. Yep.
6 Q. And it lists five CDs, right?
7 A. Yes.
8 Q. Did you select which CDs to include
9 here?
10 A. No.
11 Q. Did you review this document
12 carefully before you signed it?
13 A. I reviewed it. I reviewed it
14 carefully from the perspective of was this
15 something that I felt I could do.
16 Q. Do you mean you considered
17 carefully whether you felt that you would be
18 prepared to serve as a class representative in
19 the case?
20 A. Yes.
21 Q. Okay. Separately, there are some
22 factual statements in this declaration,
23 correct? And did you review -- correct? Will
24 you answer verbally?
25 A. Sorry, did I review -- did I review

1 a, b, c, d and e listed under point 3?

2 Q. I'm asking about all of the facts
3 that are listed in the declaration now.

4 Did you review those factual
5 statements carefully?

6 A. I didn't review every individual
7 subpoint to the numbers.

8 Q. Okay. So the answer is no?

9 A. I didn't -- I didn't review 3a, b,
10 c, d and e. And I didn't review 5a, b, c, d
11 either.

12 Q. Okay. Let me ask you about
13 paragraph 3a through e. You've redeemed
14 certain of these CDs, correct?

15 A. Insofar as they're on the
16 statement, do I not remain the owner?

17 Q. I'm just asking -- I think I asked
18 you a separate question.

19 A. Okay.

20 Q. And that is whether you have
21 redeemed any of the CDs that are listed in a,
22 b, c, d and e.

23 A. I didn't tally what it says under
24 a, b and c, d and e with the account numbers
25 on the statement.

1 Q. Okay. And so do you know whether
2 you have redeemed any of the CDs that are
3 listed here, or would you have to look at the
4 account statement to determine that?

5 A. I would have to look at which of
6 those a, b, c, d and e had a zero balance.

7 Q. Let me ask you to look at part c,
8 which lists a CD issued on or around May 23rd,
9 2008. Do you see that?

10 A. Yes.

11 Q. Now, we're missing the June 2008
12 account statement, right?

13 A. Right.

14 Q. Do you know if you purchased a CD
15 dated May 23rd, 2008?

16 A. Not off the top of my head, no.

17 Q. If you had, would you have included
18 a reference to that in the claim you filed
19 with the U.S. receiver, which was Exhibit 67?

20 A. There is another document which
21 went to the receiver which showed an Excel
22 breakdown of what we had and hadn't purchased.

23 Q. If you take a look at Exhibit 67,
24 at page ending 087 --

25 A. Okay.

Page 90

1 Q. -- is that the Excel spreadsheet

2 you were referring to?

3 A. Right.

4 Q. Okay. And on page 087 of

5 Exhibit 67, did you list out all of the CD

6 purchases that you made that you were aware

7 of?

8 A. On -- I'm sorry, I'm not keeping up

9 with you.

10 Q. Sure. Okay.

11 A. Which document are you referring to

12 now?

13 Q. We are now on Exhibit 67.

14 A. Okay. So on the --

15 Q. On the Excel spreadsheet.

16 A. Right. Okay. Yes, everything is

17 listed here.

18 Q. So all of the CDs you purchased are

19 listed on this Excel spreadsheet?

20 A. I believe so, yes.

21 Q. And does this spreadsheet reflect

22 any CD purchased on or around May 23rd, 2008?

23 A. No, it doesn't.

24 Q. And if you'd turn back with your

25 claim to the receiver on the pages ending on

Page 91

1 Exhibit 67 in 83 and 84, it appears that you
2 filled out a couple of boxes on page 83 and
3 then 84 that list all of the CD purchase
4 transactions.

5 A. Yeah.

6 Q. Do you see that?

7 And is a CD purchased on or around
8 May 23rd, 2008, listed on this form?

9 A. No, it is not.

10 Q. Do you think that this is a mistake
11 in your declaration?

12 A. Yes.

13 Q. Okay.

14 A. It looks as though it's a typo.

15 Q. What CD do you believe that it
16 should refer to?

17 A. The third one listed here on the --
18 I guess this is the 15th of August, 2007? I'm
19 sorry. I would need to go over the
20 statements.

21 Q. But you did not go over the
22 statements before you signed this declaration?

23 Is that correct?

24 A. I didn't check a, b, c, d and e
25 under point 3.

1 Q. Do you recall that in March
2 of 2008, you and your husband heard reports of
3 turbulence in the financial markets?

4 A. Yes.

5 Q. And did your husband reach out to
6 Mrs. Ruane to ask about the market and the
7 risk exposure across the investments that
8 you-all had?

9 A. Certainly possible.

10 (Elson-Rogers Exhibit 71 marked.)

11 BY MS. KLEBER:

12 Q. I'm going to hand you what I've
13 just marked as Exhibit 71. The first e-mail
14 in this chain is an e-mail from Ms. Ruane to
15 your husband on March 25th, 2008 -- oh,
16 March -- I'm sorry, strike that.

17 The first e-mail in this chain is
18 an e-mail that your husband sent to Ms. Ruane
19 on March 17th, 2008. Do you see that?

20 A. Yes.

21 Q. And he says, "Considering the
22 turbulence in the markets at the moment can
23 you give us some idea of our risk exposure
24 across the investments we have."

25 Do you see that?

1 A. Yes.

2 Q. And does this refresh your
3 recollection that your husband reached out to
4 Ms. Ruane in this time period to talk about
5 the risk exposure that you-all had in light of
6 what was happening in the markets?

7 A. Yes.

8 Q. And then the next e-mail in the
9 chain is dated March 25th, 2008, Ms. Ruane
10 responds. Right?

11 A. Yes.

12 Q. And Ms. Ruane advises you Stanford
13 is a private bank, right?

14 A. Uh-huh. Yes.

15 Q. And that it has no retail outlets
16 and no overhead costs, right?

17 A. Yes.

18 Q. She says, "More importantly, they
19 do not own a loan book." Right?

20 A. Right.

21 Q. And "They have taken some measures
22 over the last few weeks in adjusting U.S.
23 dollar rates, well in advance of the last
24 fall."

25 Q. Do you see that?

1 A. Yes.

2 Q. Did this explanation from Ms. Ruane
3 influence your decision to remain invested in
4 the Stanford CDs?

5 A. Yes.

6 Q. In fact, you and your husband
7 purchased additional CDs after the date of
8 this e-mail. Isn't that right?

9 A. Yes.

10 Q. And did Ms. Ruane's statements in
11 this e-mail influence your decision to
12 purchase those additional CDs?

13 A. Yes.

14 (Elson-Rogers Exhibit 72 marked.)

15 BY MS. KLEBER:

16 Q. I'm going to hand you now what I've
17 just marked as Exhibit 72. Oops, that was a
18 bad one. This is an e-mail exchange between
19 your husband and Mr. Cross in September
20 of 2008, correct?

21 A. Yes.

22 Q. And the first e-mail in the chain,
23 your husband asks what impact the
24 Lehman/Merrill Lynch news will have on
25 Stanford.

1 Do you see that?

2 A. Yes.

3 Q. Do you recall during the time that
4 there were reports that Lehman Brothers was
5 going into bankruptcy?

6 A. Yes.

7 Q. And that Merrill Lynch had agreed
8 to be purchased by Bank of America?

9 A. Yes.

10 Q. And did those reports cause you and
11 your husband to question the soundness of
12 Stanford?

13 A. It caused us to question.

14 Q. And Mr. Cross writes back in the
15 e-mail above, do you see that?

16 A. Yes.

17 Q. Mr. Cross says it won't have much
18 effect except a change in the competitive
19 landscape.

20 Do you see that?

21 A. Yep.

22 Q. He says more investors would look
23 for a safe haven for their money and
24 Stanford's business is based on being that
25 safe haven.

1 Do you see that?

2 A. Yes.

3 Q. Then in the next paragraph he says,

4 "We have absolutely no write-downs. We never

5 invested in mortgages."

6 Do you see that?

7 A. Yes.

8 Q. Did these statements in Mr. Cross'

9 e-mail influence your decision to remain

10 invested in the Stanford CDs?

11 A. Yes.

12 Q. He goes on to say, "Our business

13 model is old-fashioned," nothing like Lehman

14 or Merrill.

15 Do you see that?

16 A. Yes.

17 Q. In fact, he says he worked at

18 Merrill many years ago and he says Stanford is

19 different, right?

20 A. Yep.

21 Q. Do you think that Mr. Cross' past

22 work experience at Merrill gave him some

23 unique insight into whether Merrill and

24 Stanford were different?

25 A. I don't know.

1 Q. Did that statement influence your
2 decision to remain invested in the Stanford
3 CDs?

4 A. Yes.

5 Q. And in fact, in late
6 September 2008, you and your husband wired
7 more funds to Stanford.

8 A. Uh-huh.

9 Q. Is that right?

10 A. Yes.

11 MR. SWANSON: Ashley, we're closing
12 in on another hour here, so when you get
13 to a good breaking point, we'd love to
14 take a break.

15 MS. KLEBER: Let's do one more
16 document and we'll break.

17 THE VIDEOGRAPHER: We've gone 50
18 minutes.

19 MR. SWANSON: What's that?

20 THE VIDEOGRAPHER: 50 minutes,
21 we've gone.

22 BY MS. KLEBER:

23 Q. Okay. We can -- one more doc. Is
24 that okay with you, Ms. Elson-Rogers?

25 A. Uh-huh.

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1 Q. Okay.

2 (Elson-Rogers Exhibit 73 marked.)

3 BY MS. KLEBER:

4 Q. I'm handing you now what I have
5 marked as Exhibit 73. This is a large packet
6 of e-mails, but I want to direct your
7 attention to page ending in 595, just a few
8 pages in.

9 Are you there?

10 A. Yes.

11 Q. And this is an e-mail that you sent
12 to Ms. Ruane -- at the bottom of the page,
13 there is an e-mail that you sent to Ms. Ruane
14 on September 30th, 2008. Do you see that?

15 A. Yeah.

16 Q. You thank her for some information
17 she's provided and you ask, "Is Stanford still
18 OK?"

19 Do you see that?

20 A. Yes.

21 Q. And then in the e-mail above,
22 Ms. Ruane responds to you on September 30th,
23 2008. Do you see that?

24 A. Yes.

25 Q. And she says, "Stanford is sound -

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1 no loan book." Correct?
2 A. Uh-huh, yeah.
3 Q. Did this assurance from Ms. Ruane
4 influence your decision to remain invested in
5 the Stanford CDs?

6 A. Yes.

7 MS. KLEBER: Okay. I think we're
8 at a good breaking point. Let's go off
9 the record.

10 THE VIDEOGRAPHER: We're off the
11 record at 11:11.

12 (Recess, 11:11 a.m. to 11:23 a.m.)

13 THE VIDEOGRAPHER: We are on the
14 record at 11:23.

15 BY MS. KLEBER:

16 Q. Welcome back, Ms. Elson-Rogers.

17 A. Thank you.

18 Q. Stanford offered different types of
19 CDs. Some were fixed CDs, some were flex CDs.
20 Are you aware of that?

21 A. Aware?

22 Q. Generally.

23 A. Generally.

24 Q. And all of the CDs you purchased
25 were fixed CDs. Is that right?

1 different currencies, right?

2 A. Yes. As did we.

3 Q. Did you have any investments with
4 Stanford other than in the CDs and in your
5 express account?

6 A. No.

7 Q. So you didn't have any brokerage
8 accounts that had equities or mutual funds or
9 anything like that through Stanford, right?

10 A. No.

11 Q. Do you know how many of the other
12 proposed class members had brokerage
13 accounts --

14 A. No.

15 Q. -- through Stanford in addition to
16 holding CDs?

17 A. No.

18 Q. Do you know if Stanford provided
19 any different disclosures or information to
20 people who had brokerage accounts with
21 Stanford as opposed to people who just had
22 CDs?

23 A. I don't know.

24 Q. Do you know what documents other
25 SIBL CD purchasers received and reviewed

1 related to the CDs?

2 A. No.

3 Q. Do you know if these materials

4 could have been different from what you were

5 given?

6 A. I don't know if they were

7 different.

8 Q. Have any of your friends or family
9 members invested in Stanford CDs?

10 A. No.

11 Q. Have you ever encouraged any
12 friends or family members to consider
13 investing in Stanford CDs?

14 A. Thankfully not.

15 Q. Have you ever attended any events
16 hosted by Stanford?

17 A. No.

18 Q. Charity events or golf tournaments
19 or the like?

20 A. No.

21 Q. So you never had the opportunity to
22 meet other Stanford financial advisors or
23 investors at those types of events?

24 A. No.

25 Q. Before Stanford entered

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1 MS. KLEBER: Objection,
2 nonresponsive.

3 BY MS. KLEBER:

4 Q. Do you know if Ms. -- if Mr. Cross
5 ever worked from any locations for Stanford
6 other than out of Antigua or Belgium?

7 A. I don't know what locations James
8 Cross operated from. There may have been more
9 than Antigua and Belgium.

10 Q. But you don't know what those would
11 be if there are more, correct?

12 A. No.

13 Q. Now, your financial advisor,
14 Ms. Ruane, she operated out of Greece and
15 Kosovo during the time she was advising you.
16 Is that correct?

17 A. Yes.

18 Q. And when you purchased your
19 Stanford CDs, you either resided in Greece or
20 in North Carolina. Is that right?

21 A. Yes.

22 Q. Did you ever travel to Texas in the
23 course of purchasing any Stanford CDs?

24 A. No.

25 (Elson-Rogers Exhibit 74 marked.)

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1 sure if I'm going to answer this in the
2 correct way, but I will do my best.

3 So we were dealing with Mrs. Ruane,
4 who was in Greece; and at the date of this
5 letter, April 2009, things were looking pretty
6 dire in Greece. So writing a letter to the
7 Belgian authorities -- again, I'm not sure if
8 I'm answering -- I was writing a letter to the
9 Belgian authorities about an investment that
10 started with us in Greece.

11 So to me, this was another -- we
12 didn't just rely on one financial advisor in
13 Greece and operating under Greek regulations;
14 we also were dealing with somebody from
15 Belgium. It was a layer, an additional layer.

16 Q. If you look at the last paragraph
17 on Exhibit 77, you say, "Because of the
18 additional brokerage layer in our original
19 deposits with SIB, we are aware if fraud were
20 to be proven that there would have to be two
21 layers of fraudulent conveyance."

22 Do you see that?

23 A. Yes.

24 Q. What do you mean by this
25 "additional brokerage layer in our original

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1 deposits with SIB"?

2 A. We had tried to be careful. We
3 hadn't just relied on one advisor. So we had
4 tried to be careful.

5 Q. Because you were relying both on
6 Ms. Ruane and Mr. Cross, right?

7 A. We were relying on -- I suppose --
8 like a chain.

9 Q. And in fact, Ms. Ruane didn't work
10 directly for Stanford, right? She was an
11 independent financial advisor, correct?

12 A. Right.

13 Q. And so your point here, is it that
14 your particular situation is different from
15 someone who, say, just dealt with one
16 Stanford-affiliated broker in buying the CDs?

17 A. We all bought the CDs. I don't
18 understand why this would make a difference.

19 Q. Well, it was significant enough for
20 you to include in your complaint to the CBFA,
21 correct?

22 A. Right. Well, the context is, of
23 course, I'm writing to the CBFA in Belgium.

24 Q. And you say -- and you stress that
25 if fraud were to be proven that there have

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1 Q. -- it's the Excel spreadsheet, is
2 the net claim you're making there for the
3 **REDACTED?**

4 A. Yes.

5 Q. And did you receive a Notice of
6 Determination from the receiver about how much
7 of that claim the receiver determined would be
8 allowed?

9 A. Yes, we did.

10 (Elson-Rogers Exhibit 80 marked.)

11 BY MS. KLEBER:

12 Q. I'm handing you now what I've just
13 marked as Exhibit 80. Is this the Notice of
14 Determination that you received from the
15 receiver?

16 A. Yes.

17 Q. And what is the allowed claim
18 amount, according to the receiver?

19 A. Just under **REDACTED**.

20 Q. What is your understanding of how
21 the receiver calculated the allowed claim
22 versus the amount that you claimed?

23 A. We don't have an understanding.

24 Q. Have you challenged the Notice of
25 Determination that you received from the

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1 from the U.S. receiver related to these
2 distributions?

3 A. I don't suppose we've kept the
4 check. I'm not sure if we've kept the
5 letters. We've kept a record of it because we
6 have to declare it to the IRS, so...

7 Q. Now, you've also filed a claim with
8 the joint liquidator in Antigua. Is that
9 right?

10 A. Yes.

11 (Elson-Rogers Exhibit 81 marked.)

12 BY MS. KLEBER:

13 Q. I'm going to hand you now what I've
14 marked as Exhibit 81. This appears to be a
15 claim approval notice dated August 27, 2009,
16 from the Antiguan joint liquidator. Is that
17 right?

18 A. Sorry, say -- could you give the
19 date again, please?

20 Q. August 27, 2009.

21 A. Oh, I'm sorry, yes.

22 Q. And according to this e-mail, the
23 joint liquidator approved a claim in the
24 amount of REDACTED?

25 A. Yes.

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1 Q. On page ending in 640 --
2 A. Uh-huh. Yes, sorry.
3 Q. -- the joint liquidator in that
4 letter, right after he tells you the amount
5 that's been allowed, says, "Please note that
6 the Joint Liquidators reserve the right to
7 withhold distributions and/or modify this
8 claim subject to any preference claims that
9 may be pursued against creditors or victims."

10 Do you see that?

11 A. Yes.

12 Q. After you received this letter, did
13 you receive any further correspondence from
14 the joint liquidator in Antigua asserting that
15 you had received a preference payment from
16 Stanford in the last six months before
17 Stanford collapsed?

18 A. No.

19 Q. Have you ever received any request
20 from the Antiguan joint liquidator that you
21 pay any amount of money back to the estate in
22 Antigua?

23 A. No.

24 Q. Do you know how many of the other
25 proposed class members received so-called

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1 Q. Have you ever reported income for
2 the interest you earned on your Stanford CDs
3 on any of your tax returns?

4 A. In 2009, when we first had to
5 report in the U.S., we had to report the
6 interest we had received in 2008.

7 Q. And you in fact included that
8 interest in your tax return?

9 A. I believe so.

10 Q. Is there some doubt in your mind?

11 A. I'm responsible for doing the
12 British tax return; my husband is responsible
13 for doing the American tax return.

14 Q. Okay.

15 A. We try not to overlap the two of
16 them too much.

17 Q. Have you maintained copies of the
18 tax returns that you've filed?

19 A. Yes.

20 Q. And have you provided those to
21 counsel?

22 A. I don't think so.

23 Q. Have you ever claimed losses on
24 your United States tax returns for the losses
25 you sustained on Stanford CDs?

1 A. We made a theft loss claim. If I
2 am correct about this, we made it in 2010 for
3 the year 2009. But it's possible that we did
4 it in 2011 for 2010. We did one year, we did
5 have a theft loss claim, yes.

6 Q. And how much did you claim on the
7 theft loss claim?

8 A. I think when everything had been
9 calculated, we received a tax rebate for the
10 tax that we paid that year. But for the
11 following year, we met -- we had to -- I think
12 because the loss was so high compared to our
13 salary -- at that point only my husband was
14 earning -- we had two years' worth of losses,
15 but in the second year, we fell subject to the
16 alternative minimum tax? Is that right?

17 Q. It sounds right.

18 A. Okay.

19 Q. So in the second -- so just to back
20 up, do you know in the line item where you
21 have to list the amount of the loss you
22 sustained, do you know what figure you-all
23 included there?

24 A. I don't know.

25 Q. Do you know what the amount of

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1 works is you don't get to object to relevance.

2 A. Okay. Well, I'm not -- I don't
3 understand what you're trying to ask me.

4 Q. Well, let me see if I can work on
5 it a little bit, okay?

6 You've sued five banks here; true?

7 A. Yes.

8 Q. Did the banks ever give you any
9 promotional material to encourage you to
10 invest in the Stanford CDs?

11 A. A simple answer is no, the banks
12 did not give me any promotional material.

13 Q. Well, thank you. I will accept
14 that.

15 Now, with respect to Exhibit 71, if
16 you could turn to that one, ma'am, you'll see
17 that this -- you will recall Exhibit 71 starts
18 out as an e-mail from your husband to
19 Ms. Ruane --

20 A. Yep.

21 Q. -- basically saying "there's
22 turbulence in the markets at the moment, can
23 you give us some idea of our risk of
24 exposure," and that e-mail from your husband
25 was dated March 17th of 2008.

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1 You see that, ma'am?

2 A. Uh-huh. Yes.

3 Q. And then in part, Ms. Ruane goes

4 over the various investments, and with respect

5 to Stanford says, "Private bank, no retail

6 outlets, therefore no overhead costs. More

7 importantly, they do not own a loan book," and

8 it goes on to mention some other things.

9 This e-mail from Ms. Ruane

10 contributed to you and your husband staying in

11 the Stanford CDs in the spring of 2008; true?

12 A. Yes.

13 Q. Did any of these five banks ever

14 make any representations to you to reassure

15 you and your husband to stay within the

16 Stanford CDs?

17 A. No.

18 Q. Exhibit 72, ma'am. You will recall

19 that this is an e-mail chain and it starts out

20 once again with an e-mail from your husband to

21 Mr. Cross, dated September 15th of 2008,

22 wanting to know what impact the Lehman/Merrill

23 Lynch news will have on Stanford.

24 You remember this e-mail, ma'am?

25 A. Yes.

1 Q. And in short, I won't read the
2 whole thing, but Mr. Cross essentially replied
3 that it shouldn't impact the Stanford
4 investment at all.

5 Would you agree with that?

6 A. Yes.

7 Q. And because of this e-mail,
8 Exhibit 72, in part, from Mr. Cross, you and
9 your husband stayed in the Stanford CDs; true?

10 A. Yes.

11 Q. And once again, you never received
12 anything in writing from any of these banks
13 which caused you to stay invested in the
14 Stanford CDs, did you?

15 A. No.

16 Q. Now, I believe the phrase you used
17 earlier when asked about what it was that
18 these banks did wrong is you used the phrase
19 "compelling evidence."

20 Now, I represent -- and if I
21 misquoted you, I apologize, but I don't think
22 I did.

23 What evidence are you aware of that
24 my client, formerly the Bank of Houston, did
25 anything wrong?

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1 should always correct me if I'm misstating
2 what you said previously -- but I think you
3 testified that when you met in person with
4 Mr. Cross for the first time, you discussed
5 some of the information in the pamphlet. Is
6 that correct?

7 A. Yes.

8 Q. Exhibit 64?

9 A. Yes.

10 Q. And among other things, you said
11 that you had a specific conversation about
12 Stanford International Bank being insured by
13 Lloyd's of London. Is that right?

14 A. Right.

15 Q. Was it only Mr. Cross who told you
16 that or did Ms. Ruane also tell you that?

17 A. I don't recall exactly. I'm pretty
18 sure it was him.

19 Q. And you're certain that that
20 happened at the first meeting that you had
21 with Mr. Cross?

22 A. Quite certain.

23 Q. You would agree with me, though,
24 that this pamphlet, Exhibit 64, does not
25 include any reference to Lloyd's of London,

1 correct?

2 A. It doesn't, no.

3 Q. So to the extent that was an
4 important representation to you, it was one
5 that was made only orally to you by Mr. Cross
6 and/or Ms. Ruane?

7 A. Yes.

8 Q. What other information in the
9 pamphlet, in Exhibit 64, did you discuss with
10 Mr. Cross and Ms. Ruane in that first meeting?

11 A. It's hard to recall something that
12 happened so long ago, but certainly in our
13 case -- I'm trying to think what was
14 discussed -- the currencies would have been
15 discussed and the different CDs. I don't -- I
16 don't recall exactly how the conversation
17 went.

18 Q. So when you say -- let me follow up
19 on both of those things. When you say "the
20 different CDs," you recall there was some
21 discussion of the various types of CDs that
22 were available --

23 A. Right.

24 Q. -- through Stanford International
25 Bank. Is that right?

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1 and do anything more complicated than take
2 money out of the ATM, so we used Internet
3 banking, and there was a limit on how much you
4 could transfer.

5 Q. So there was a daily limit on how
6 much you could transfer out of the bank using
7 its online service?

8 A. Right.

9 Q. And that's why each time you
10 invested you did it in [REDACTED] increments?

11 A. Right.

12 Q. The first CD you bought from
13 Stanford International Bank was May 23rd,
14 2005. Is that right?

15 A. Yeah, according to the records,
16 that's the date.

17 Q. Where were you living at that time?

18 A. In Greece.

19 Q. And this was through Mr. Cross,
20 correct?

21 A. Yes.

22 Q. Who was operating at least --
23 operating, at least, through Belgium.

24 A. Right.

25 Q. And you don't know physically where

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1 A. In dollars, yes.

2 Q. In dollars. So is the [REDACTED] --

3 A. It's in dollars.

4 Q. It's been converted, got it.

5 So let me ask the question again.

6 Between 2005 and 2008, you made total

7 investments with Stanford International Bank

8 of just over [REDACTED].

9 A. Correct.

10 Q. And you took out just over

11 [REDACTED], correct?

12 A. Correct.

13 Q. And the [REDACTED] went to purchase

14 your home in North Carolina, correct?

15 A. Yes.

16 Q. And to other investments, correct?

17 A. Yes.

18 Q. And you still have those other

19 investments, correct?

20 A. No.

21 Q. You do not have those other

22 investments?

23 A. No.

24 Q. What happened to them?

25 A. There was -- [REDACTED], I believe

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1 money for your first CD?

2 A. Yes.

3 Q. What did you know about them?

4 A. That HSBC is the biggest
5 U.K. retail bank. I mean, I know general
6 knowledge about HSBC.

7 Q. Okay.

8 A. I grew up in the U.K.

9 Q. Do you know what HSBC stands for?
10 A. Hongkong Shanghai Banking
11 Corporation.

12 Q. All right, well done. Did you know
13 anything about HSBC as it related to Stanford
14 before you first wired money to HSBC?

15 A. No.

16 Q. In other words, did you know that
17 they were somehow providing correspondent
18 banking services to Stanford?

19 A. No.

20 Q. So kind of walk me through, then,
21 the point in time when you first learned. Did
22 you ask Jacqui or did you ask Mr. Cross,
23 "What's going on here? Why am I wiring money
24 to HSBC?"

25 A. No, I don't think we did, no.

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1 Q. So it didn't strike you as odd that
2 you were purchasing a Stanford CD but you were
3 being asked to wire money to HSBC?

4 A. No, it didn't strike us as odd, no.

5 Q. Why would you say that didn't
6 strike you as odd?

7 A. I didn't know all of the roles and
8 responsibility of a correspondent bank at that
9 time, but I was aware that banks use
10 intermediary banks.

11 Q. So is it fair to say when you were
12 given the wiring instructions on how to wire
13 the first [REDACTED] for the CD you purchased in
14 2005, when you saw the wiring instructions
15 saying to send it to HSBC, you thought that
16 that was just normal banking practices to make
17 the deposit?

18 A. Not only normal. As I said, I grew
19 up in the U.K. I hesitate to use the word
20 "reassuring."

21 Q. Okay. At any point in time, did
22 you personally have any communications with
23 anyone at HSBC?

24 A. No. My husband has a bank account
25 with HSBC.

1 perspective, it had been sitting for quite a
2 while.

3 Q. And did she tell you why there was
4 a new firm being involved?

5 A. I believe only inso- -- I don't
6 think it was -- I mean, only insofar as
7 Morgenstern was being joined.

8 Q. Did she say why Morgenstern was
9 being joined?

10 A. No.

11 Q. Did she say how the joining firm
12 had been selected?

13 A. No.

14 Q. Did she say by whom they had been
15 selected?

16 A. No. And the conversation was far
17 more about me, actually, and how I felt about
18 participating.

19 Q. And how did you feel about
20 participating?

21 A. It was a very difficult decision.

22 Q. Why?

23 A. On the one hand, I believe myself
24 and the people that I represent have been --
25 if the correct phrase is badly served, I don't

1 know. I was involved early on, as I said,
2 with e-mails with Peter Morgenstern and
3 concerning the correspondent bank issue.

4 But as was pointed out by one of
5 the other lawyers, this is quite a commitment
6 to take on, and we are however many years now
7 down the line.

8 Q. Do you still share -- do you still
9 have those reservations?

10 A. Of course.

11 Q. And following that call with
12 Ms. Kogutt, I think she -- did she give you
13 the lawyers' number and you contacted them?

14 A. I'm not sure if it went like that.
15 It may have been that she copied them on an
16 e-mail and then I responded with my telephone
17 number, and I don't remember exactly but
18 that's what I think happened.

19 Q. Okay. And then they contacted you?

20 A. Yes.

21 Q. Okay. And did you have to fill out
22 any questionnaires or paperwork in connection
23 with being considered for class
24 representative?

25 A. Initially, no. We had a long

1 let's see.

2 (Sotto voce discussion.)

3 BY MR. PLOTKIN:

4 Q. If you'd take a look at the
5 affidavit that you did, here it is,
6 Exhibit 70. Do you have that?

7 A. Yes.

8 Q. Okay. You see it's dated
9 April 28th of 2015?

10 A. Yes.

11 Q. And how did this come to you so
12 that you could sign it?

13 A. This document?

14 Q. Yes.

15 A. By e-mail, I think.

16 Q. It was e-mailed to you?

17 A. I believe so.

18 Q. And then you signed it and dated it
19 and scanned it back? Is that --

20 A. Right.

21 Q. Okay. And you signed it under
22 penalty of perjury, "The foregoing is true and
23 correct to the best of my knowledge."

24 A. Yes.

25 Q. Okay. And if we go through it,

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1 paragraph 1, you are 21 and competent to make
2 this declaration. Is that correct?

3 A. Yes.

4 Q. And you are a citizen of the U.K.,
5 currently residing in North Carolina?

6 A. Yes.

7 Q. Okay. And you're the beneficial
8 owner of certain certificates of deposit,
9 including those issued on these dates? Is
10 that correct?

11 A. On or around the following dates.

12 Q. Yes. And I think you testified
13 earlier that you didn't check those
14 certificates of deposit?

15 A. I didn't check these dates.

16 Q. Okay. And why didn't you?

17 A. I suppose I thought that the most
18 important aspect of this document was what I
19 was agreeing to do.

20 Q. But you could only agree to do it
21 if you had submitted certain -- if you had
22 purchased certain certificates of deposit.

23 A. Right.

24 Q. So you didn't think it was
25 important to verify that the dates on the CDs

1 were accurate?

2 A. I didn't think it was the most
3 important that was pressing on my mind of what
4 this was going to involve.

Q. Were you in a hurry?

6 A. Two days later, I went to Ghana.

7 But was I in a hurry, no. It was -- as I
8 said, the most pressing thing was what I was
9 agreeing to do.

10 Q. On -- by April 28th, had you

11 already provided documentation --

12 A. Yes.

Q. -- to your lawyers?

14 A. Yes.

15 0. And then paragraph number 4 says

16 that you've submitted claims to Ralph Janvey.

17 A. Yes.

18 Q. Okay. Did you also submit claims

19 to the joint liquidators in Antigua?

20 A. Yes.

21 Q. Any reason why you didn't mention

22 that?

23 A No

Q. And then in number 5 you say, "The Receiver has recognized and allowed my claims

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22		--oo--		
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EXHIBIT 70

Page 1

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF TEXAS
2 DALLAS DIVISION

3 PEGGY ROIF ROTSTAIN, et al.,
4 Plaintiffs,
5 v. Case No.
3:09-CV-2384-N-BG

TRUSTMARK NATIONAL
BANK et al

8 Defendants.

12 VIDEOTAPED INTERPRETED DEPOSITION OF
13 RUTH ALFILLE DE PENHOS
14 Houston, Texas
15 Wednesday, June 10, 2015

23 Reported by:
24 SUSAN PERRY MILLER, CSR, CCR, RDR, CRR, CBC
25 JOB NO. 94155

Page 4

1 APPAREANCE, Continued:
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22 New York, New York 10178

23 SWORN INTERPRETER:

24 Gerardo Barchielli

VIDEO TECHNICIAN:

25 Robert Birdsall, TSG REPORTING

1 business?

2 A. I know that his name was Alejandro,
3 but I do not know.

4 Q. Was he an employee of the business?

5 A. Yes.

6 Q. And was he the person who filed tax
7 returns?

8 A. As far as I know, yes.

9 Q. Did the owners of the business have
10 to sign the returns?

11 A. Of course.

12 Q. Did you sign any of those returns?

13 A. No, I did not.

14 Q. Were you an owner of the business?

15 A. I did not have -- it was my son who
16 was the legal representative.

17 Q. Do you know who David Nanes is?

18 A. Yes.

19 Q. Who is he?

20 A. To my -- unfortunately for me.

21 Q. Who is he?

22 A. The president of Stanford.

23 Q. In Mexico or everywhere?

24 A. In all places.

25 Q. You believed he was the president

1 of Stanford in -- everywhere?

2 A. He was always taking planes from
3 one place to another.

4 Q. And is that why you thought he was
5 the president?

6 A. He was surrounded by a lot of
7 luxury. He drove a Mercedes, a bulletproof
8 Mercedes pickup.

9 Q. Did he tell you that he was the
10 president of Stanford?

11 A. I have the cards where he says --
12 where they say that he is the president of
13 Stanford.

14 THE WITNESS: Ben, do you have the
15 cards for David Nanes?

16 MR. REICHARD: The cards were
17 produced to the defendants.

18 (Sotto voce discussion between the
19 witness and Mr. Druckman.)

20 THE WITNESS: So how are you asking
21 me whether -- how do I know if he's the
22 president? It says it there.

23 BY MR. PLOTKIN:

24 Q. Is David Nanes a Mexican Jew?

25 MR. SWANSON: Objection.

1 A. Yes, if it was all sponsored by
2 Stanford.

3 Q. Yes.

4 How did you first learn about the
5 Stanford companies?

6 A. Because David would talk to me and
7 talk to me and talk to me all the time.

8 Q. Where?

9 A. At my -- in my house.

10 Q. David came to your house to talk to
11 you?

12 A. He would call me on the telephone,
13 and he came to the house to meet my children
14 and my husband.

15 Q. Okay.

16 A. When he saw that he had the
17 investment, he got away, and that was it. And
18 from then on, he only spoke on the telephone
19 or he would send things.

20 Q. When did he first start contacting
21 you with regard to Stanford?

22 A. I am not very sure, but I think it
23 was in '93 or '94. But before that -- but
24 before that he would call on the telephone
25 insisting.

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1 Q. Insisting on what?

2 A. For me -- for us to give him a

3 chance to invest.

4 Q. And when was the first time you

5 gave him a chance to invest?

6 A. I do not remember.

7 Q. Was it in the year 2000?

8 A. No, it was like in 1993 or '94.

9 Q. And what did you purchase?

10 A. What did we purchase? CDs.

11 Q. In '93 or '94?

12 A. Yes.

13 Q. How much?

14 A. I don't know.

15 Q. And did you -- were you able -- did

16 you purchase a certificate of deposit from

17 Stanford International Bank?

18 A. Yes. The lawyer then has the

19 copies of the certificates.

20 Q. Nothing from '93 or '94.

21 A. No. No.

22 Q. What happened to them?

23 A. I was throwing them away because I

24 was getting full of paperwork. If we had the

25 statements, they would be checked and then

1 thrown away.

2 Q. Were you able to redeem any of the
3 certificates of deposit?

4 A. What does that mean?

5 Q. Did you get any money back from the
6 certificates of deposit?

7 A. Nothing.

8 Q. From '93 and '94, they never paid
9 you back?

10 A. We did not withdraw the money.

11 When my husband quit his work, they would send
12 us [REDACTED] per month for living expenses.

13 [REDACTED] a month, yes.

14 Q. When did your husband quit his
15 work?

16 A. In 2007, more or less.

17 Q. So as far as you knew, the money
18 was being held for you in an account at
19 Stanford?

20 A. That's what we believed, that our
21 money was in Stanford accounts. In the
22 statements it said, such a CD has so much, so
23 much in interest, and so much total, and the
24 maturity.

25 Q. Okay. Now, when Mr. Nanes came to

1 your house and met with your family, what did
2 he tell you?

3 A. That it was a very good investment,
4 for us not to let the chance go by, that
5 everything was insured through Lloyd's.

6 Q. This is in 1994?

7 A. Approximately, yes. Because my --
8 because my son married in '96, and we were
9 already with David.

10 Q. And who made the decision in your
11 family to purchase a CD?

12 A. My husband and my children.

13 Q. Okay. And in whose name was the CD
14 purchased?

15 A. Theirs.

16 Q. Was your name on the CD?

17 A. Yes.

18 Q. How do you know?

19 A. Because I would see them.

20 Q. Do you still have them?

21 A. Yes.

22 Q. From --

23 A. Not all of them, but yes.

24 Q. Do you have any from the 1990s at
25 all?

1 A. Then I don't know what they call
2 it.

3 Q. Okay. Do you know the name of the
4 Stanford entity that you purchased your CDs
5 from?

6 A. The entity, from Stanford.

7 Q. Do you know the --

8 A. The entity is here in Houston,
9 because that's what David told me, that it was
10 here in Houston. And then it turned out that
11 it went to Antigua.

12 Q. And you didn't know that?

13 A. No.

14 Q. What were the things that David
15 told you about the benefits of a CD?
16 A. That it paid a higher rate of
17 interest for a one-year period, or two-year,
18 or three-year, or five, ten. According to the
19 term that one chose, they would pay a
20 different rate.

21 Q. Did he tell you anything about
22 whether the money was tax free at the source?

23 A. No. What do you mean, at its
24 source?

25 Q. Did he ever tell you that?

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1 A. No.

2 Q. Who told you that Stanford could
3 give you higher interest rates?

4 A. David.

5 Q. Did he tell you how much higher?

6 A. Yes.

7 Q. What did he tell you?

8 A. I think it was 2½ points more.

9 Q. And did he explain to you how it
10 was that Stanford could offer those higher
11 interest rates?

12 A. At that time, yes. He said that
13 they did not have a street address bank, they
14 had no cash registers --

15 THE WITNESS: (In English)

16 Cashiers.

17 THE INTERPRETER: -- "no cashiers,
18 that they were not in the street, that
19 they didn't have branches.

20 So that is how they were able to
21 pay a higher rate of return, because
22 they did not have many branches."

23 BY MR. PLOTKIN:

24 Q. And how do you think that allowed
25 them to pay a higher rate of return because

1 they didn't have branches?

2 A. Why do I think that they were

3 paying me a higher rate of return for not

4 having branches?

5 Q. Yes.

6 A. Because he convinced us. He told

7 us if there are no branches, there are no

8 expenses, so instead of having expenses, we

9 can offer a higher rate of interest.

10 Q. And did he tell you this at your
11 home?

12 A. Yes.

13 Q. And who else was present?

14 A. My husband, my two sons. That's
15 all.

16 Q. Do you recall if they asked him any
17 questions?

18 A. To David?

19 Q. Yes.

20 A. Yes, many questions. They asked
21 him many questions. And he -- to everything,
22 he said that everything was fine, everything
23 was insured.

24 I gave him an insurance pamphlet,
25 to the lawyer, Ben, for him to see how David

1 tricked me. And even my co-in-law told me,
2 "Look, Ruth, that about it being insured is a
3 lie. I am an older person. If they don't pay
4 the policy, you'll be left without any money."

5 MR. PLOTKIN: Okay. I'll move to
6 strike the last part of that as
7 nonresponsive.

8 BY MR. PLOTKIN:

9 Q. Did any of your cousins come to
10 your house to speak to David?

11 A. No. They dealt with Hane Tanur.

12 THE WITNESS: (In English) Ana.

13 THE INTERPRETER: It means Ana.

14 BY MR. PLOTKIN:

15 Q. And who was she?

16 A. She worked for Stanford. She was
17 like a broker.

18 Q. She was a broker at Stanford?

19 A. I don't know how they call them.
20 But they are the people that work at the
21 office to get clients.

22 Q. Did David refer your cousins to
23 Ana?

24 A. No.

25 Q. How did --

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1 Q. So what did you mean when you told
2 your cousin that every time you asked Stanford
3 to send you money, they send it?

4 A. What did I try to tell her with
5 that?

6 Q. You testified a few minutes ago
7 that you told your cousin that whenever you
8 asked them to send her money -- send you
9 money, they would send it.

10 A. Yes, but that was the **REDACTED** that
11 they sent me monthly, or if we requested for a
12 trip, they would send it. But a complete
13 promissory note, a complete CD --

14 Q. I didn't ask about a CD. I asked
15 about any money that was advanced to you.

16 A. No. No, nothing.

17 Q. When David Nanes came to your
18 house, did he bring any documents?

19 A. Yes.

20 Q. What did he bring?

21 A. He brought a video.

22 Q. I'm sorry?

23 A. He brought a video.

24 Q. And could you tell me what was on
25 the -- did you watch the video?

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1 A. Parts of it. Almost not.

2 Q. Where did you watch it?

3 A. They were in my house's living
4 room.

5 Q. On your television, in your living
6 room?

7 A. Yes. No, he left it for them to
8 watch.

9 Q. And did you watch it?

10 A. I did not, no.

11 Q. Okay.

12 A. But now that I've moved to a
13 different house, some videos popped up. I'll
14 see if it's there.

15 Q. Did you give that to your lawyers,
16 the videos?

17 A. No.

18 Q. Why?

19 A. Because I don't have it. I don't
20 know where they are.

21 Q. I thought you said they just popped
22 up.

23 MR. DRUCKMAN: Objection.

24 A. No. Let's see if they appear.

25 BY MR. PLOTKIN:

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1 Q. Okay. What else did he bring you
2 besides a video?

3 A. The insurance papers.

4 Q. What insurance papers?

5 A. The gentleman has them.

6 Q. What's your understanding of what
7 those insurance papers were?

8 A. He told us that everything that was
9 deposited was insured here in the United
10 States --

11 THE INTERPRETER: No.

12 A. That here in the United States they
13 only recognized \$100,000, but that they would
14 recognize the entire amount.

15 BY MR. PLOTKIN:

16 Q. Who would only recognize \$100,000?

17 A. Here in the United States.

18 Q. Who in the United States?

19 A. The banks.

20 Q. \$100,000 of what?

21 A. Insurance.

22 Q. But at Stanford, they did what?

23 A. I don't understand your question.

24 Q. Did they insure it for more than
25 \$100,000 at Stanford?

1 A. No, I don't know. But it came out
2 in the news that the people in the United
3 States, they did recognize it to them and that
4 they were paid the full amount.

5 Q. Did he give you anything else
6 besides the video and the insurance papers?

7 A. No. Like what?

8 Q. An application to fill out for a
9 CD?

10 A. Yes.

11 Q. Did you read it?

12 A. They must have read it, my children
13 and my husband.

14 Q. Okay. My question was: Did you
15 read it.

16 A. No.

17 Q. Okay. Did you ever sign it?

18 A. Yes.

19 Q. You signed the application?

20 A. Yes, because a signature has to be
21 there.

22 Q. Why did you sign it if you hadn't
23 read it?

24 A. Because I trust my husband and my
25 children. And if they sign, well, I signed.

1 Q. Okay. Look at the third page. It
2 says "Investor Protection" on it?

3 A. Yes, this is the insurance.

4 Q. Okay. When did David Nanes give
5 this document to you?

6 A. When we opened the account.

7 Q. In the 1990s?

8 A. Yes.

9 Q. And you're certain of that?

10 A. Yes.

11 Q. Were you ever told that there was
12 insurance by Aetna?

13 A. Of what?

14 Q. Insurance provided by the insurance
15 company known as Aetna.

16 A. No. He told us that it was
17 Lloyd's, from England.

18 Q. Were you ever told that there was
19 insurance provided by an insurance company
20 named Willis?

21 A. No.

22 (Sotto voce discussion between the
23 witness and Mr. Druckman.)

24 MR. DRUCKMAN: I'm telling her to
25 wait for the question to be finished.

1 I'm sorry.

2 BY MR. PLOTKIN:

3 Q. Were you ever told that there was
4 insurance provided by the British insurance
5 company Limited?

6 THE INTERPRETER: What's the name
7 of the company?

8 MR. PLOTKIN: Limited.

9 A. No.

10 BY MR. PLOTKIN:

11 Q. And what were you told about
12 Lloyd's of London by David Nanes?
13 A. That it was a very big insurance
14 company from London, from England; and that in
15 case of anything, they would respond.

16 Q. Had you ever heard of Lloyd's of
17 London before?

18 A. Yes.

19 Q. Have you ever heard of the Federal
20 Deposit Insurance Corporation?

21 A. Is it that little paper that the
22 banks give you here in the United States, the
23 FDIC?

24 Q. Have you ever heard of the FDIC?

25 A. Is it that? Yes.

1 A. No, I have not read it, because I
2 handed everything in.

3 MR. PLOTKIN: Okay. You said you
4 wanted to take a break, so why don't we
5 break here.

6 THE VIDEOGRAPHER: We're off the
7 record at 11:24.

8 (Recess, 11:24 a.m. to 11:37 a.m.)

9 THE VIDEOGRAPHER: We are on the
10 record at 11:37.

11 BY MR. PLOTKIN:

12 Q. Okay. I'm going to ask you to
13 continue to look at Exhibit 85. I believe you
14 said that this is the insurance document that
15 David Nanes brought to your house?

16 A. Yes.

17 Q. Did you personally read this?

18 A. Yes.

19 Q. Now, this document is in English.

20 A. Yes.

21 Q. And you were able to read this and
22 understand it in English?

23 A. Not completely, but my sons speak
24 English.

25 Q. So did they read it to you?

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1 A. No, they read it.

2 Q. Did you also read it?

3 A. Yes.

4 Q. The entire document?

5 A. Yes.

6 Q. Okay. Where in here does it
7 mention Lloyd's of London?

8 (Document review.)

9 MR. PLOTKIN: Let the record
10 reflect the witness is reviewing the
11 document, Exhibit 85.

12 A. I just looked at it, and now I
13 don't know where it is.

14 BY MR. PLOTKIN:

15 Q. True to say it's not in there, is
16 it?

17 A. In Exhibit 85?

18 MR. DRUCKMAN: That's Exhibit 84.

19 THE WITNESS: No, but I did see it
20 here.

21 BY MR. PLOTKIN:

22 Q. I've asked you to look at
23 Exhibit 85.

24 A. No. I already looked at
25 Exhibit 85.

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1 asking you about at the times before Stanford
2 collapsed and you were buying CDs.

3 So just so the record is clear, he
4 did not tell you at the time you were
5 purchasing CDs that --

6 A. No.

7 Q. Did you ever review any financial
8 statements prepared by any auditors on behalf
9 of Stanford Bank?

10 A. No.

11 Q. Did you read any press reports
12 about Stanford between 1997 and 2008 about
13 any --

14 A. From the press?

15 Q. -- press, news, about problems with
16 Stanford?

17 A. It came out in the El Universal.

18 Q. This is before --

19 A. That's the name of the newspaper in
20 Mexico.

21 Q. This is before the Stanford problem
22 arose?

23 A. Yes. They said that they were
24 laundering money.

25 Q. When was that?

1 A. I called David, and I told him --
2 Q. When was that?
3 A. -- "What is this that's going on?"
4 "That's envy that they have towards
5 us. Don't believe anything."
6 It must have been in around 2007.
7 Q. Thank you.
8 And when you saw that report, did
9 it concern you about the legality of the
10 Stanford operation?
11 A. Of course.
12 Q. And what, if anything, did you do?
13 A. I called David to talk. He said,
14 "They're envious of us. It's not true."
15 Q. Did you do anything else?
16 A. No. I told my sons, and they said,
17 "Well, if you spoke to David, he's not going
18 to trick you."
19 Q. So he told you that in a telephone
20 conversation?
21 A. No. I called him for him -- for
22 him to come over to my house for me to talk to
23 him.
24 Q. So he came to your house, and you
25 asked him this question, and that's what he

1 told you?

2 A. Yes.

3 Q. And did you -- and you did nothing

4 further after he told you that?

5 A. No.

6 Q. When you -- during any of the time
7 from 2000 to 2008 --

8 THE INTERPRETER: What years?

9 MR. PLOTKIN: 2000 to 2008.

10 BY MR. PLOTKIN:

11 Q. -- did you do any independent
12 research or due diligence about Stanford?

13 A. What happened is that he was very
14 good friends or is very good friends with my
15 nephew, and I went to school with his mother.
16 We went to the same school.

17 Q. You're talking about David?

18 A. Yes.

19 Q. So the answer to the question would
20 be you didn't do any other research because of
21 the family familiarity.

22 A. Yes, I trusted very much in him. I
23 loved him like a son. But he defrauded me.

24 Q. Okay. Did you read any websites
25 that talked about Stanford International Bank?

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1 anymore, because now that I moved to another
2 house, I tore up a lot of things. Because I
3 had a very large house, and I moved to a very
4 small apartment.

5 Q. Okay. What factors did you
6 consider the most important in purchasing
7 Stanford CDs?

8 A. I did not understand your question.
9 Who did I give more importance, or what?

10 Q. What were the most important
11 reasons that you chose to buy Stanford CDs?

12 A. Number one, because I trusted
13 David. He told me, "I will never trick you,
14 ma'am." Two, for being ambitious and wanting
15 to make a little more interest rate.

16 Q. Anything else?

17 A. No. It's the truth.

18 MR. PLOTKIN: Do we need --

19 MS. REED: We're about ready for
20 lunch, if you want.

21 MR. PLOTKIN: Let's go off the
22 record.

23 THE VIDEOGRAPHER: We're off the
24 record at 12:11.

25 (Recess, 12:11 p.m. to 12:45 p.m.)

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1 Q. Okay. And do you know when this
2 case was initially filed, first filed?

3 A. Approximately about two months ago.

4 Q. Do you know if the lawsuit was
5 filed -- was there a lawsuit filed by
6 Mr. Morgenstern on behalf of his clients in
7 2009?

8 A. No, I don't know. But that he is
9 putting in papers and papers and papers, yes,
10 because I'm getting the information.

11 Q. Do you get copies of all the
12 papers?

13 A. No.

14 Q. When you receive reports from
15 Mr. Morgenstern, are they in English or
16 Spanish?

17 A. He writes them in both languages.

18 Q. Okay. When is the first time you
19 heard about the case called Rotstain?

20 A. Rothstein?

21 Q. Rotstain, this case.

22 THE INTERPRETER: It's two names?

23 MR. PLOTKIN: One word.

24 A. Is this case called Rothstein?

25 BY MR. PLOTKIN:

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1 Q. Okay.

2 MR. DRUCKMAN: What date did you
3 say, I'm sorry?

4 MR. PLOTKIN: After April 29th.

5 MR. DRUCKMAN: You said "February."

6 THE INTERPRETER: I said
7 "February," yes.

8 BY MR. PLOTKIN:

9 Q. Just so the record is clear, you
10 met with them in Mexico City after you signed
11 the declaration on April 29th?

12 A. Yes, when I agreed to testify on
13 behalf of the 17,000 persons.

14 Q. So from the time that you spoke on
15 the phone until the time that you signed the
16 declaration, you did not meet with your
17 lawyer?

18 A. From when we spoke? From when we
19 spoke on the telephone until when?

20 Q. When you signed Exhibit 88, the
21 declaration.

22 A. In April of 2015? No, I did not
23 see the lawyers.

24 Q. Okay. Did you have any other
25 telephone conversations with them from the

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1 first time until you signed the document?

2 A. Yes, but things that were

3 unimportant.

4 Q. How many?

5 A. Maybe two times.

6 Q. How long was each call?

7 A. Especially it was concerning the

8 hotel where I would be staying and something

9 else, but it's unimportant. Oh, he let me

10 know when they were going to have that

11 meeting.

12 Q. Okay. Did you stay in the hotel

13 too in Mexico City?

14 A. No. No.

15 Q. And between -- before you signed

16 the declaration that's Exhibit 88 --

17 A. Yes.

18 Q. -- did you receive any documents to

19 review in the mail?

20 A. This same thing.

21 Q. Just that?

22 A. Yes.

23 Q. Nothing else?

24 A. Nothing else.

25 Q. Okay. And at some point, did

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1 A. I did not know what I was going to
2 be asked. How am I going to tell -- how can I
3 tell him if I don't know what it is they're
4 going to ask me?

5 Q. Okay. Do you know that the Peggy
6 case is a class action?

7 A. Yes, all together.

8 Q. What's your understanding of what a
9 class action is?

10 A. I understand that they're going to
11 try to defend us, all of us together.

12 Q. Okay. And do you understand that
13 you are -- have been named here as a class
14 representative?

15 A. Yes, but there are other
16 representatives also.

17 Q. Do you know that this case started
18 more than two months ago?

19 A. No.

20 Q. Were you aware that there were
21 already people who had been identified as
22 class representatives?

23 A. That there were already identified
24 individuals?

25 Q. Yes.

1 A. No, I did not know. They only told
2 me that they were going -- that we were going
3 to be five representatives, one per country.

4 Q. Okay. And who told you that?

5 A. David.

6 Q. Okay. And what is your
7 understanding of what your job is as a class
8 representative?

9 A. Speak honestly, try to do the best
10 as -- the best possible.

11 Q. Anything else?

12 A. Well, right now that is what comes
13 to my mind.

14 Q. Okay. So do you believe that the
15 only thing you have to do as a class
16 representative is to give this deposition?

17 A. No.

18 Q. What else do you think you have to
19 do?

20 A. Well, I think they're going to call
21 me again to let me know about other things
22 they'll need.

23 Q. But you have no idea of anything
24 else you might need to do?

25 A. No. I guess Ben or David would let

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1 MR. PLOTKIN: It's my fault.

2 BY MR. PLOTKIN:

3 Q. We're talking about other people
4 like yourself who are named as class
5 representatives.

6 A. Yes, class action.

7 Q. Do you know any of their names?

8 A. No, I don't know them.

9 Q. Did you review any filings that
10 were made by your lawyers in court?

11 A. Yes. They would send them to me by
12 e-mail, about how the case was progressing.

13 Q. No, I mean any actual documents,
14 pleadings in the case that were filed with the
15 Court.

16 A. No. No, I don't know.

17 Q. Do you know how the class is
18 defined?

19 A. How it is defined?

20 Q. Who's in the class?

21 A. One person from Venezuela, one
22 person from Colombia, from Mexico, from
23 Argentina; and some other person, I don't know
24 who.

25 Q. Okay.

1 You can deal with the translation later,
2 but we only have one translator under
3 oath here.

4 MR. DRUCKMAN: My objection, just
5 for the record, is that the court
6 reporter is not taking down any words in
7 Spanish. There's no other way to make
8 that record.

9 BY MR. PLOTKIN:

10 Q. Okay. What I was asking you is:

11 Who -- how do you define the whole group?

12 A. I do not understand the question.

13 What do you mean how is the group defined?

14 There are people that don't even have enough
15 to eat. There are other people that have
16 their jobs.

17 Q. Who are the 17,000 people?

18 A. I don't know them.

19 Q. No, but you represent them.

20 A. Yes.

21 Q. And how are they classified? How
22 are they defined within this group?

23 A. I don't understand. How are they
24 defined?

25 Q. How is the class defined?

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1 A. Class action.
2 Q. How is the class within the class
3 action defined?
4 A. It's one single lawsuit for
5 everyone.
6 Q. Well, who is included in
7 "everyone"? Everyone in the world?
8 A. No, the 17,000 persons and the
9 persons that might be in Venezuela, Colombia
10 and other places. Yes.

11 Q. Okay.
12 A. They would all be under one
13 lawsuit.

14 (Penhos Exhibit 89 marked.)

15 BY MR. PLOTKIN:

16 Q. I'm going to hand you what's been
17 marked as Exhibit 89. Do you have Exhibit 89
18 in front of you?

19 A. Yes.

20 Q. Have you ever seen Exhibit 89
21 before?

22 A. No.

23 Q. Was this sent to you in the mail by
24 your lawyers?

25 A. No.

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1 Q. Was this e-mailed to you by your
2 lawyers?

3 A. No.

4 Q. Do you have any idea what it is?

5 A. No.

6 Q. Now, if you'll turn to page 2, do
7 you see it says, "Table of Exhibits," and it
8 lists about two and a half pages of exhibits,
9 1A through 18F.

10 A. Yes.

11 Q. Have you ever seen any of those
12 exhibits?

13 A. No.

14 Q. If you'll look at page 4, do you
15 see item 18E?

16 A. Yes.

17 Q. Do you know what that is?

18 A. The signed declaration that is
19 here?

20 Q. Yes.

21 Are you surprised to see it here?

22 A. No. No, because I accepted it.

23 Q. Did you know that it was going to
24 be given to the judge?

25 A. More or less, yes.

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1 Because I can't see.

2 Q. So I'm going to ask you a question
3 now.

4 A. This one belongs to Moises, but I
5 cannot see the amount.

6 Q. Okay. There's no question pending.

7 If you'll take Exhibit 88 --

8 A. Yes.

9 Q. -- and put it next to Exhibit 86 --

10 A. Yes.

11 Q. -- on the certificates, can you see
12 the dates on the right-hand -- under the
13 right-hand corner?

14 A. Yes, but look. Here, the date on
15 which this certificate was issued is the 13th
16 of August of 2007. The interest rate was 9.04
17 for three years.

18 Q. All I asked you was: Can you see
19 the date?

20 A. The date, yes.

21 Q. Okay.

22 A. It says here, 13th of August of
23 2007.

24 Q. Right. Now, if you'll look at the
25 list on your declaration, paragraph 3(a)

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1 through (e), and show me where the certificate
2 for 13 August 2007 is.

3 A. It is not there. I told David that
4 it was not there. Yes.

5 Q. And you signed the declaration
6 anyway?

7 A. What happens is that I did not have
8 all of the certificate -- certificates.

9 Q. Before, you told me you had the
10 certificates.

11 A. Yes, some. I mean, these that are
12 here, yes.

13 Q. Okay. Show me --

14 A. But look, this certificate could
15 not have been done on August 13 of 2007.
16 Because my brother-in-law died in December
17 of 2008, and this name of Tanya Audi Mizrahi,
18 Isaac or Jaime Penhos, this money is --
19 belongs to my husband, this one. And this
20 document is a three-year document.

21 Q. Where is it listed in Exhibit 88?

22 A. This one is not there.

23 Q. Why?

24 A. I don't know why.

25 Q. Okay. And you remember when --

1 A. What happens is that I did not have
2 all of the certificates. I looked for them
3 and I looked for them, and whatever I found, I
4 gave to Ben.

5 Q. And you remember that you signed
6 this subject to the penalty of perjury?

7 A. I'm sorry?

8 Q. Do you remember your signature said
9 you signed it subject to the penalty of
10 perjury?

11 A. Which one, this one?

12 Q. Yes.

13 A. But it's just that it's not false
14 testimony. The certificates do exist.

15 Q. Where are they?

16 A. At home.

17 Q. Now, in 2009, you were asked by
18 Peter Morgenstern to preserve all your
19 documents and to give them to Mr. Blue, and
20 you testified earlier that you did so.

21 Where are the certificates?

22 A. I should have them in my folder at
23 home. But it's just that you're not
24 understanding me. This one here is in the
25 name of Tanya Audi Mizrahi, Isaac or Ruth, and

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1 for this amount -- this money belongs to my
2 husband, and it was put in Tanya's name
3 because it offered 9% interest.

4 And this one, the one below, is of
5 11 February of 2009, and this was the one that
6 was about to mature, which they did not pay
7 me. And it's in the name of my husband.

8 Q. Okay. Let me direct your attention
9 to page numbered 84 of Exhibit 86. The
10 certificate of deposit at the top of that page
11 is dated 15 December 2006.

12 A. Uh-huh.

13 Q. Do you see that date on here?

14 A. Here (indicating)?

15 Q. Yes.

16 A. 16th of December of 2006, right?
17 Here they made a mistake.

18 Q. Who made a mistake?

19 A. I think that when -- I think that
20 when Susan prepared this list, I did not have
21 all of the certificates. But here's the
22 July 27th one.

23 Q. Do you see next to the date,

24 December 16th, 2006, there's a little star,
25 asterisk?

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1 A. Yes, little one.
2 Q. Little one.
3 And then down below, at the bottom
4 of the page --
5 A. Yes.
6 Q. -- it says -- I'll wait for you --
7 "Plaintiff invested prior to December 16th,
8 2006, but she does not currently have any
9 related record of the prior investments."
10 Do you see that?
11 A. Here? No, I can't see it.
12 MR. PLOTKIN: She can't see it?
13 BY MR. PLOTKIN:
14 Q. You can't see it?
15 A. It's just that this one from
16 16 December is this one that says 15 December.
17 Q. That wasn't my question. My
18 question was about the last line at the bottom
19 of the page.
20 A. What does it say? I cannot
21 understand it. I can't see it.
22 Q. So you didn't -- were you able to
23 see it when you signed the affidavit?
24 A. When I signed the declaration?
25 Q. Yes.

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1 A. No. No.

2 Q. You couldn't see it then either?

3 A. It's just that it says here that

4 the plaintiff had invested prior to

5 December 16 of 2006. And what is it?

6 15 December 2006.

7 Q. And has no records of anything
8 prior to that time. Isn't that what it says?

9 A. Yes, it should be.

10 Q. Yes, it should be what?

11 A. To be the promissory note. How can
12 there be no record of it, if it's in my
13 husband's name?

14 Q. Well, you're the one that signed
15 the declaration that says you do not currently
16 have any related record of prior investments.
17 Isn't that right?

18 A. What happens is this, look. It's
19 just that I cannot see well. With my glasses
20 and everything, I cannot see well. And I will
21 not distrust whatever the lawyers, Blue and
22 Morgenstern, are sending me.

23 Q. So what they're sending you is that
24 you have no records prior to December of 2006
25 of any purchases that you made from Stanford.

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1 MR. PLOTKIN: I'm told we need to
2 take a break, so...

3 THE WITNESS: That's fine.

4 THE VIDEOGRAPHER: We're off the
5 record at 15:09.

6 (Recess, 3:09 p.m. to 3:30 p.m.)

7 THE VIDEOGRAPHER: We're on the
8 record at 15:30.

9 BY MR. PLOTKIN:

10 Q. I'm going to hand you what has
11 previously been marked as Exhibit 8 in this
12 case.

13 A. Uh-huh.

14 Q. It is the Plaintiffs' Second
15 Amended Class Complaint. Have you seen that
16 document before?

17 A. No.

18 Q. If you can pass it back, I think
19 we're done with it.

20 Did the investors in Stanford CDs
21 in Mexico form any kind of group?

22 A. No. The only thing that happens is
23 that whenever someone finds out something,
24 they'll let the rest know.

25 Q. Is there a website that everyone

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1 (Penhos Exhibit 90 marked.)

2 BY MR. PLOTKIN:

3 Q. I'm going to hand you what's been
4 marked as Exhibit 90.

5 MR. PLOTKIN: Sorry. Let's see if
6 we have an extra one for the translator.

7 BY MR. PLOTKIN:

8 Q. I've handed you a package of
9 materials that are clipped together as
10 Exhibit 90, and do you see, in the bottom
11 right-hand corner, it has your name and some
12 numbers?

13 A. Yes.

14 Q. Okay. You understand that these
15 are documents that we received from your
16 lawyers?

17 A. From my lawyer.

18 Q. You understand that? Okay.

19 And the page numbers are not
20 consecutive because they were not organized
21 together, so I have tried to organize it so
22 that it moves from one page to the next.

23 A. You work hard, huh?

24 Q. Yes.

25 Have you seen -- look at the first

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1 page. It's dated 4 March 2009.

2 A. Yes.

3 Q. Okay. So this is about six weeks
4 or so after the collapse of Stanford. And it
5 says in the first line that, "We write to
6 advise of the appointment of Joint
7 Receiver-Managers."

8 And the appointment was made by the
9 Financial Services Regulatory Commission of
10 Antigua and Barbuda. Do you see that? Do you
11 see that?

12 Does that refresh your recollection
13 as to whether there were court-appointed
14 people in Antigua?

15 A. Not that I know of.

16 Q. Do you know whether your family
17 submitted claims to these joint receivers in
18 Antigua?

19 A. They have presented claims, but...

20 Q. As you sit here today, do you have
21 an independent recollection that your family
22 submitted claims to the joint receivers in
23 Antigua?

24 A. Of course.

25 Q. You do know that?

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1 THE INTERPRETER: I did not get to
2 translate the entire question.

3 MR. PLOTKIN: I'm sorry.

4 MS. REED: She understood the
5 question.

6 MR. DRUCKMAN: I'll object to that
7 comment.

8 MS. REED: She obviously did.

9 MR. DRUCKMAN: Well, you don't have
10 the right to make comments either.

11 BY MR. PLOTKIN:

12 Q. I'll add -- let me -- you recall
13 that your family made claims in Antigua?

14 A. They were done in the United
15 States, and they were done in Antigua.

16 Q. Anywhere else?

17 A. No.

18 Q. Now, if you look at the second page
19 of Exhibit 90, these --

20 A. This is proof of a debt?

21 Q. This is notes to proof of debt. It
22 provides the instructions for filing a proof
23 of debt. Have you ever seen these notes to
24 proof of debt before?

25 A. Yes. Yes.

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1 Q. How did you understand these joint
2 receivers as being different from Mr. Janvey,
3 the U.S. receiver?

4 THE INTERPRETER: What's the name?

5 MR. PLOTKIN: Janvey.

6 A. Let's see. I don't understand.

7 Like how do I think that Janvey is different?

8 BY MR. PLOTKIN:

9 Q. Yes.

10 A. Well, I think they are regulated by
11 the same thing, right?

12 Q. Who are they regulated by?

13 A. The bank commission.

14 Q. What bank commission?

15 A. The SPIC.

16 Q. The SPIC? SIPC?

17 A. SIPC.

18 Q. So you believe that Mr. Janvey is
19 regulated by SIPC?

20 A. I think that, yes.

21 Q. And you think the Antiguan joint
22 liquidators are regulated by SIPC?

23 A. No, because SIPC is for the United
24 States; and Antigua is of the United Kingdom,
25 isn't it?

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1 Q. So take a look at the second page
2 of Exhibit 90, the notes to proof of debt.

3 A. Where?

4 Q. Page 2. The notes are on page 2, 3
5 and 4. Have you seen the notes before?

6 A. Yes.

7 Q. Have you read them?

8 A. Yes.

9 Q. Number 3, it says there that, "The
10 balance shown on the final statement of
11 account" -- actually, it's translated in
12 Spanish right below it.

13 MR. PLOTKIN: So number 3, there's
14 a Spanish translation right below the
15 English, I think she can read that.

16 THE INTERPRETER: Thank you.

17 Sorry.

18 BY MR. PLOTKIN:

19 Q. Can you read that in Spanish,
20 number 3?

21 A. Yes. "The balance is the
22 identified account, and it's the final
23 statement --

24 Q. Okay. My question was: Can you
25 read it?

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1 A. -- dated February 2 -- 22nd of
2 February of 2009."

3 Q. You can read and understand that,
4 correct?

5 A. Yes.

6 Q. What is your understanding of what
7 that means?

8 A. What do I understand of this?

9 Q. Yes.

10 A. That our final balance is the -- is
11 the account that identifies us. It's the
12 final statement dated 22nd of February of
13 2009. It is requested for the purposes of
14 reconciliation, and it is requested for the
15 purposes of reconciliation only, and it does
16 not constitute the amount of your claim that
17 will be considered in the liquidation.

18 Q. My question wasn't what does it
19 say.

20 My question is: What do you
21 understand it to mean?

22 A. That we must provide the final
23 statement for them to liquidate.

24 Q. So they didn't provide you with any
25 statements?

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1 A. Yes.

2 Q. They did? And they said it was for
3 reconciliation only?

4 A. No. They sent us some letters
5 where we could write down the account numbers,
6 the promissory notes, and the amount, and the
7 name of the person.

8 Q. Okay. So what is your
9 understanding of number 3?

10 A. That they are requesting the final
11 balance from us for reconciliation.

12 Q. Okay. Look at number 7. Please
13 read that in Spanish, not out loud, to
14 yourself.

15 (Document review.)

16 BY MR. PLOTKIN:

17 Q. Have you had a chance to read it?

18 A. Yes. But I don't understand why it
19 says that any claim might be refused.

20 Q. Do you understand -- what is your
21 understanding of deducting all amounts
22 received from SIB of any kind in relation to
23 your accounts?

24 A. Whatever Stanford gave us?

25 Q. Is that what you understand?

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1 A. Any failure to deduct all amounts
2 received from SIBL of any kind in relation to
3 your account to get to the claim may result in
4 a denial of your claim --

5 Q. Okay. I didn't ask you to read it.
6 I asked you what you understood it to mean.

7 A. That for us to tell them what they
8 gave us in money.

9 Q. Okay. And when you filled out your
10 claim form, did you do that?

11 A. No.

12 Q. Why not?

13 A. What are we going to return if we
14 don't even have enough to eat?

15 Q. So when you filled out the claim
16 form, you didn't put that information in
17 there, right?

18 A. No.

19 Q. On the next page, number 8, if
20 you'll just read that in Spanish to yourself.

21 (Document review.)

22 BY MR. PLOTKIN:

23 Q. Have you had a chance to read that?

24 A. I'm about to finish.

25 No, we have none of this.

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1 it is that we requested or what is it that
2 they sent us.

3 Q. Well, you had the statements. You
4 could have looked at those, right?

5 A. If you want to, you can see. There
6 are many that have nothing. And this had to
7 be sent before a certain date.

8 Q. Are there any that had some?

9 THE INTERPRETER: Some amount,
10 right?

11 MR. PLOTKIN: Yes, some record.

12 A. What do you mean if there's any?
13 Any one of ours?

14 BY MR. PLOTKIN:

15 Q. You saved some statements. None of
16 them fit any of these claims?

17 A. I don't think so.

18 Q. You submitted those claims to the
19 joint liquidators?

20 A. Yes, of course, they were sent.

21 Q. And what -- have you had any
22 response from the joint liquidators with
23 regard to your claims?

24 A. They checked everything, and they
25 saw that everything was fine.

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1 Q. Thank you.

2 A. Can you tell me what a preferential
3 account means?

4 Q. No.

5 A. No?

6 Q. That's why you have lawyers.

7 THE WITNESS: Then you'll tell me?

8 BY MR. PLOTKIN:

9 Q. What was the total amount that the
10 joint liquidators allowed for your claim?

11 A. **REDACTED**

12 Q. And you received 1% of the
13 5 million?

14 A. No.

15 Q. How much did you receive?

16 A. Last year, yes, we did receive 1%
17 of what they said that we had, without
18 interest. But they have to pay for the five
19 years in which we have not received anything
20 at all. And this year, they gave us a little
21 more than **REDACTED**, but because they
22 separated -- they set aside the preferential
23 accounts, and they gave us **REDACTED**
[REDACTED].

25 Q. And how much was the first payment

1 that you received?

2 A. [REDACTED]

3 Q. Okay. Did they take away any of

4 the claim based on money that you had already

5 received?

6 A. Whether they discounted any amount

7 from the claim? Yes, in the second payment,

8 they did deduct.

9 Q. You testified earlier that you were
10 receiving, for some period of time, [REDACTED] a
11 month?

12 A. No. No, of the 1%, no. Stanford
13 would send us [REDACTED] for living expenses, yes.

14 Q. Out of your interest?

15 A. Yes.

16 Q. Were those payments deducted from
17 the amounts that you claimed?

18 A. Yes.

19 Q. Was anything else deducted from the
20 amounts that you claimed?

21 A. No, only what they had given us.

22 Q. And I think it was your testimony
23 earlier that you never redeemed any CDs?

24 A. Not one.

25 Q. Okay. Did there come a time when

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1 you also submitted claims to Mr. Janvey, the
2 U.S. receiver?

3 A. Yes. Yes.

4 (Penhos Exhibit 91 marked.)

5 MR. PLOTKIN: Here's one more.

6 BY MR. PLOTKIN:

7 Q. Okay. I've handed you what's been
8 marked as Exhibit 91. And, again --

9 A. 91?

10 Q. Exhibit 91, yes. And again, down
11 in the bottom right-hand corner, you see your
12 name? It's on every page.

13 A. The last name, Penhos.

14 Q. Yes. You see your name and the
15 number?

16 A. Yes.

17 Q. Okay. That suggests that your
18 lawyers gave these documents to us.

19 A. It was the lawyers? Yes.

20 Q. Did you give them to us?

21 A. We sent them to the receiver.

22 Q. Did you give the -- did you give
23 your lawyers a copy of them?

24 A. I do not remember.

25 Q. Did you keep a copy of them?

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1 A. Yes.

2 Q. Okay. If you'll turn to the --
3 well, on the first page, this is a claim that
4 was submitted by Jaime?

5 A. A claim? Proof of claim. It's
6 proof of claim. It is not a claim, it is
7 proof.

8 Q. Proof of claim. And this proof of
9 claim is submitted by Jaime?

10 A. Yes. Yes.

11 Q. And Jaime was born in 1963? That
12 is correct?

13 A. **REDACTED**

14 Q. Right. If you go to the third
15 page, which is number 68 --

16 A. Here it is, yes. Here it is.

17 Q. -- in the section marked
18 "Investments/Transactions" -- it's at the top
19 of the page.

20 A. Yes, here it is.

21 Q. Okay. The information asks for the
22 month, day and year of the transaction.

23 A. Yes. Yes, here they are.

24 Q. And listed chronologically. Do you
25 understand what "chronologically" means?

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1 A. Yes. Yes, in a sequence.

2 Q. Yes. Now, did you -- what are the
3 dates that are listed in the first four -- for
4 the first four transactions?

5 A. It was on the 2nd -- no,
6 February 22nd of 2009.

7 Q. And that same date is listed for
8 all four transactions, right?

9 A. Yes.

10 Q. Did you ever buy any CDs on
11 February 22nd, 2009?

12 A. I do not remember.

13 Q. Hadn't Stanford collapsed by
14 February 22nd, 2009?

15 A. Yes.

16 Q. Why did Jaime list those dates?
17 A. I don't know.

18 Q. Okay. And on the next page, is
19 that Jaime's signature?

20 A. Yes.

21 Q. And the date is 5/31/2012. Is that
22 right?

23 A. May 31 of 2012.

24 Q. Okay.

25 A. What happens is that they had

Page 203

1 requested from us the proof so that they could
2 pay us the 1%.

3 (Mr. Druckman left the deposition
4 room.)

5 BY MR. PLOTKIN:

6 Q. At the top of the page that has
7 Jaime's signature on it --

8 A. Yes.

9 Q. -- it says, "Supporting
10 Documentation," first paragraph.

11 A. Yes.

12 Q. Can you read that?

13 A. No. Maybe you read it so I can
14 understand it well.

15 Q. So you can't read it? It's a yes
16 or no. Can you read it?

17 A. Yes.

18 Q. Okay. Do you understand that it's
19 asking for documents that support your proof
20 of claim forms?

21 A. Yes.

22 Q. And it asks for checks or wire
23 transfer advices. It asks for Stanford
24 International Bank account statements.

25 To your knowledge, did Jaime submit

1 any of that information with this form?

2 A. He presented everything. If not,
3 they wouldn't have paid him.

4 Q. Really? Where is the documentation
5 that goes with this? Let me withdraw that
6 question.

7 When we looked at the exhibit for
8 the joint liquidators, you said you didn't
9 have the records. Now you're saying you had
10 the records and you submitted them?

11 A. It's just that I don't know to --
12 about which records are you referring to?

13 Q. The records that support the
14 millions of dollars of claims you're filing.

15 A. I do not have all of the
16 certificates. I don't have them. I provided
17 all of the statements.

18 Q. To the receiver?

19 A. Whatever was there was sent to him.

20 Q. Okay. What was there were the four
21 statements that we showed you earlier,
22 Exhibit 86. There's more claims here than
23 these four.

24 A. No, there are more.

25 Q. Where? Are they in your folder?

Page 205

1 A. Yes, and you should have them.

2 Q. I should, that's right.

3 A. Yes.

4 Q. Okay. Take a look at the page

5 numbered 75 down in the bottom.

6 A. Here it is, yes.

7 Q. This is another claim that was

8 submitted by Jaime.

9 A. Yes.

10 Q. Okay. And if you take a look at

11 the second page, this is the same CD -- the

12 small one, you said, when we talked about

13 it -- REDACTED. And you see the date there is

14 also February 22nd, 2009?

15 A. Because this was when they asked us

16 to indicate what it is that they owed us. It

17 was recently after the bankruptcy of the bank.

18 Q. Bankruptcy of what bank?

19 A. Stanford.

20 Q. Stanford filed for bankruptcy?

21 A. Yes.

22 Q. Is that your understanding?

23 A. Yes.

24 Q. Okay. So that's the same date that

25 he used on all the other claims in the prior

Page 206

1 form that we looked at, right?

2 A. In which other form?

3 Q. The one we just looked at.

4 Page 68, there are four items. They're all

5 dated February 22nd, 2009.

6 A. Yes. Because --

7 Q. But you didn't buy any CDs on that
8 date, did you?

9 A. I do not remember that.

10 Q. If you'll go to page 45 --

11 A. There is no page 45 here.

12 Q. At the bottom. Keep turning.

13 A. 45?

14 MR. REPASS: It's about nine pages
15 back.

16 A. 5, 7, 29, 37, 48.

17 MR. PLOTKIN: She's passed it.

18 A. 26, 48, 46, 47, 45.

19 BY MR. PLOTKIN:

20 Q. Okay. This is a claim that was
21 filed by Moises.

22 A. Yes. It's a claim filled out by my
23 son in my father's name.

24 THE INTERPRETER: "My husband," not
25 "my father."

1 BY MR. PLOTKIN:

2 Q. His father.

3 A. Yes.

4 Q. Moises is your husband, yes? And
5 whose handwriting is that?

6 A. Jaime's.

7 Q. Okay. And if you'll skip to
8 page 47 --

9 A. Yes.

10 Q. -- what are the dates of the
11 transactions for these CDs that are listed?

12 A. I don't know.

13 Q. Can you read it?

14 A. Yes. It says here that it's from
15 February 22nd of 2009. But at this date, the
16 problem with Stanford already existed, so they
17 asked us to send --

18 Q. They asked you for the date of the
19 transaction listed chronologically.

20 A. Yes.

21 Q. Did you look at any of the CDs to
22 see what the actual date was?

23 A. No. It should appear in the
24 statements, or maybe in the -- I don't know.

25 Q. Okay. If you'll take a look at

Page 208

1 page 26.

2 A. From here?

3 Q. Yes, just turn back a few pages.

4 A. (In English) This is a declaration

5 of my --

6 Q. There's no question.

7 Is this proof of claim submitted by

8 your son Isaac?

9 A. Yes.

10 Q. And who filled it out?

11 A. Jaime.

12 Q. Why did Jaime fill it out for

13 Isaac?

14 A. Because Jaime's -- Isaac's

15 handwriting is a little slanted.

16 Q. Okay. And if you'll turn two pages

17 back to 28, this a CD for **REDACTED**

18 [REDACTED]

19 A. That's Isaac's.

20 Q. That's Isaac's?

21 And what's the date of that

22 transaction?

23 A. There are a number of transactions.

24 Q. What's the date that's listed for

25 this one? Can you read it?

Page 209

1 A. Yes.

2 Q. What does it say?

3 A. It's just that that was when they

4 requested what it is that Stanford requested,

5 so we put February 22nd, 2009.

6 Q. Stanford requested it? Stanford

7 didn't exist then.

8 A. No, not Stanford, did not request

9 it. It was requested by Janvey.

10 Q. Okay. Go to the last claim that

11 you submitted to Janvey.

12 Oh, actually, before you do that --

13 A. Tanya's?

14 Q. Yes. Go back two pages to page 29.

15 Whose signature is that?

16 A. Isaac's.

17 Q. And that's dated May 31st, 2012.

18 Is that right?

19 A. Yes, because many times my children

20 don't come frequently to the house, so

21 surely -- surely on a Friday that he came

22 home.

23 Q. And if you'll go to the last claim

24 that you submitted, proof of claim --

25 A. That is Tanya's.

Page 210

1 Q. Right. And Tanya was born in 1985?

2 A. Yes.

3 Q. And if you'll look at the third
4 page she has a CD for **REDACTED**?

5 A. No. This is the account number.

6 Q. What is the account number?

7 A. **REDACTED**.

8 Q. On page 7?

9 A. 5, 6, 7.

10 Q. The CD is for **REDACTED**?

11 A. **REDACTED**.

12 Q. What's the date of the transaction
13 listed there?

14 A. Same thing, same one,

15 February 22nd, 2009.

16 Q. And on the next page, is that
17 Tanya's signature?

18 A. Yes. Yes, of course, here it is,
19 Tanya Audi.

20 Q. In any of the claims that you've
21 filed, did you deduct interest from the CD?
22 A. How am I going to deduct it? You
23 asked for money, or you would ask money from
24 Stanford. They would send it to you, and then
25 in the statement, the check that they had sent

1 to you would appear.

2 Q. Right. But every month, whether
3 you received -- whether you got it sent to you
4 or not, interest was credited to your account,
5 wasn't it?

6 A. Yes, of course.

7 Q. And didn't the instructions to the
8 proof of claims tell you to deduct the
9 interest?

10 A. No, because they subtracted them.

11 Instead of paying [REDACTED],
12 they wanted to pay [REDACTED].

13 Q. Okay. Did you ever receive a
14 determination from the U.S. receiver?

15 A. No.

16 Q. You never did? So what happened to
17 your claims?

18 A. They gave me the claim number. I
19 don't think I brought it. They gave me the
20 claim number, and they gave me a -- how do you
21 call that, a password? Yes. It's a password
22 so you can like --

23 Q. Right.

24 A. -- enter it.

25 Q. Approximately what was the total

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1 witness. I'm finished asking you
2 questions.

3 THE WITNESS: Okay.

4 EXAMINATION

5 BY MS. REED:

6 Q. Ms. Penhos, if you would please
7 look at Exhibit 86.

8 A. Yes.

9 Q. Exhibit 86 has copies of four
10 certificates of deposit with Stanford
11 International Bank.

12 A. Yes.

13 Q. Do you have any other certificates
14 of deposit from Stanford International Bank?

15 A. Yes.

16 Q. You have the actual certificates?

17 A. Yes.

18 Q. And you did not give them to your
19 lawyers?

20 A. No.

21 Q. Do they look just like these in
22 Exhibit 86?

23 A. Yes. Yes.

24 Q. And you said you read these
25 certificates, Exhibit 86?

Page 231

1 questions.

2 Q. As a matter of fact, you are,
3 Ms. Penhos.

4 A. That's fine.

5 Q. Are you going to refuse to answer
6 my questions?

7 A. No, no.

8 Q. Okay. How old are these two
9 granddaughters that you named?

10 A. Ruthi is about to turn 12, or she's
11 already 12 on [REDACTED]; and Ruth will turn 15
12 on [REDACTED].

13 Q. How old is Israel?

14 A. 26, 27. I don't know.

15 Q. Have you ever gone by the name Ruth
16 Alfile Chataj de Penhos?

17 A. Yes. That is my identification,
18 Ruth Alfile Chataj. In Mexico we have an ID
19 called IFE.

20 Q. Are you in any business
21 relationship with Israel?

22 A. No.

23 Q. You were asked by Mr. Plotkin
24 earlier if you had ever been involved in a
25 lawsuit, and you said no.

Page 232

1 A. No.

2 Q. You've never been sued in Mexico?

3 A. No.

4 Q. You've never been sued with Israel

5 Audi Mizrahi in Mexico?

6 A. My grandson asked me to initiate an

7 action from his business in my name, but I

8 have -- I have nothing to do with his

9 business. I have nothing to do with him.

10 Nothing. Nothing.

11 Q. But you allowed your name to be

12 used in the lawsuit?

13 A. No. No. It was in the -- it was

14 in the active constitution that the notary

15 requested that my name be included.

16 Q. So if I have court records from

17 Mexico that show that you were a named party

18 with Israel Audi Mizrahi --

19 A. No.

20 Q. -- you're denying that that's true?

21 A. Yes.

22 Q. Okay. And you've never been

23 involved in a lawsuit with Banca Mifel?

24 A. Yes.

25 Q. You were involved in a lawsuit with

1 Banca Mifel?

2 A. Yes.

3 Q. And why did you deny being involved
4 in any lawsuits?

5 A. Because they're not -- they are not
6 suing me.

7 Q. Would it surprise you to know they
8 are suing you?

9 A. Yes, it does surprise me. Because
10 Jaime had problems with them, because he had
11 no money to pay them for a lien -- for a loan.
12 As soon as he's got the money, he will pay
13 them.

14 Q. Are you also a defendant in a
15 lawsuit brought by Alejandro Hernandez
16 Morales?

17 A. Alejandro Hernandez?

18 Q. Hernandez Morales.

19 A. That gentleman was a manager of my
20 son's business, and he stole even what they
21 didn't have.

22 Q. And he filed a lawsuit, and he
23 named you as a defendant.

24 A. To me? Why?

25 Q. Yes, ma'am.

Page 234

1 A. No.

2 Q. So if the court records show that

3 you are a named defendant, you just have no

4 idea that you're involved in that?

5 A. No.

6 Q. Ms. Penhos, what year were you
7 married?

8 A. In '63.

9 Q. How old were --

10 A. It is my second marriage.

11 Q. Not the question I asked you.

12 In what year were you married?

13 A. I already answered, 1963.

14 Q. And that was the second time you
15 were married. Is that what you're telling me?

16 A. Yes.

17 Q. But that was to Moises?

18 A. Yes.

19 Q. You were 20 years old?

20 A. Yes.

21 Q. What year were you married the
22 first time?

23 A. In 1960.

24 Q. Who did you marry the first time?

25 A. With Israel Mizrahi.

1 needlepoint business?

2 A. From 1960 like until '70, more or
3 less.

4 Q. And what happened to it in 1970?

5 A. My father purchased it from us. He
6 paid for the transfer.

7 But explain to me, what does all
8 that have to do with the problem with
9 Stanford?

10 Q. Your father bought the business,
11 the needlepoint business, from you and your
12 husband in 1970. How much money did he pay
13 you?

14 A. 250,000 pesos.

15 THE WITNESS: She changes
16 everything. She won't answer anything.
17 Whenever I want to, I will stop
18 answering.

19 MS. REED: If you stop answering,
20 there will be a problem.

21 BY MS. REED:

22 Q. Your obligation is to sit here and
23 answer questions. Do you have a problem doing
24 that?

25 A. No.

Page 240

1 Q. Okay. My obligation is to ask
2 them, not to answer them.

3 A. You don't have to get mad.

4 Q. So in 1970, your father purchased
5 your needlepoint business from you and your
6 husband for approximately 250,000 pesos.

7 A. Yes. He paid the transfer of the
8 place of business.

9 Q. And did he keep the needlepoint
10 business?

11 A. No. Later on, it was transferred
12 to my sister.

13 Q. Did you still, in 1970 --

14 A. My father --

15 Q. Excuse me. Ma'am --

16 A. -- left it to my sister --

17 Q. Ma'am, I need you to wait until you
18 have a question on the table.

19 In 1970, you had the building. How
20 much money were you making each year from
21 running the building?

22 A. I don't know exactly how much was
23 earned.

24 Q. Give me an approximation.

25 A. It's just that depended on the

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1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF TEXAS
3 DALLAS DIVISION

4 PEGGY ROIF ROTSTAIN, et §

5 al., §

6 §

7 Plaintiffs, §

8 § Case No.

9 VS. § 3:09-CV-2384-N-BG

10 §

11 TRUSTMARK NATIONAL BANK, §

12 et al., §

§

13 Defendants. §

14 §

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ORAL DEPOSITION OF DIANA SUAREZ

Houston, Texas

Wednesday, July 1, 2015

14 §

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22 §

23 §

Reported by:

24 §

RENE WHITE MOAREFI, CSR, CRR, CLR, CCR

25 §

JOB NO. 94836

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3
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Page 4

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18 Also Present:
19 MS. EMILY VONQUALEN
20 MR. GERARDO E. BARCHIELLI
21 MR. ROBERT BIRDSALL - VIDEOGRAPHER

22
23
24
25

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19	Exhibit 94	108 10
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9	Correspondence dated 9/26/2013 from U.S. Receive Stanford Financial Claims to Diana Suarez, Eduardo Suarez, Daniel Suarez, & Gabriel Suarez SUAREZ_000045 - SUAREZ_000046)		
10	Exhibit 18	155	9
11	Correspondence dated 11/19/2014 from U.S. Receiver Stanford Financial Claims to Diana Suarez, Eduardo Suarez, Gabriel Suarez, Daniel Suarez (SUAREZ_000047)		
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1 DIANA SUAREZ

2 MR. REPASS: Brad Repass on behalf
3 of Independent Bank Successors Bank of Houston.

4 MS. KLEBER: Ashley Kleber with
5 Gibbs & Bruns on behalf of Trustmark National
6 Bank.

7 MR. BRINKMAN: Caleb Brinkman with
8 Locke Lord on behalf of HSBC Bank PLC.

9 MR. WOOTEN: Brian Wooten with
10 Morgan, Lewis & Bockius on behalf of Blaise
11 Friedli.

12 MR. MORGENSTERN: Peter
13 Morgenstern on behalf of the Official Stanford
14 Investors Committee and the class plaintiffs.

15 MR. SWANSON: And Jim Swanson on
16 behalf of the class.

17 THE VIDEOGRAPHER: Court reporter,
18 would you please swear in the interpreter and the
19 witness.

20 GERARDO E. BARCHIELLI was duly
21 sworn by the Certified Shorthand Reporter to
22 completely and accurately translate between
23 English and Spanish.

24 (Witness sworn.)

25 MR. SWANSON: There are a couple

Page 11

1 DIANA SUAREZ

2 of matters I wanted to -- that I think we need to
3 address on the record. The first is -- has to do
4 with the translation. The -- Mrs. Suarez is a --
5 is a pretty good English speaker, so the way I
6 think would be the best to do this today would be
7 to do it in English.

8 There may be times where there is
9 some question that she's going to want to have
10 translated into Spanish so -- so that she can
11 understand it potentially. But I think that
12 makes the deposition go faster. And if -- if I
13 can get everybody's indulgence to that procedure,
14 I think that's probably the best way to do it.

15 The second is that I think Noel
16 and Lynn both have raised the fact that we are
17 still producing documents kind of late -- late in
18 the game here which -- for which, you know, we --
19 we certainly apologize.

20 One of the issues was that
21 Mrs. Suarez had an account at Yahoo that she had
22 lost access to and that -- and she can explain
23 and will -- will explain this on the record. But
24 she -- what -- they were unable to give her
25 access to the account for some reason that I'm --

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DIANA SUAREZ

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I'm not sure about. And her son has been trying
to get access to it for a period of time. He --
he got access to it very recently, and it wasn't
until last night that we got the e-mails from
that account.

7

And I recognize that that is not
ideal, not through any lack of effort on our
part, but -- but not ideal, and that Noelle and
anybody else who wants to raise that has a
legitimate gripe about that. I mean, it's not --
certainly not to be expected that you're going to
get e-mails the night before a deposition,
especially when they're in Spanish. So we
recognize that that's a problem.

16

You know, a number of possible
solutions to that, one of which would be you get
the -- you know, we -- we gave you those e-mails.
There's a -- probably a few more e-mails that
you'll be receiving.

21

Two, that we could reconvene at a
later time to have you go over those depositions
should you -- you see fit. Bring -- bring
Ms. Suarez back for that.

25

One -- another possibility would

Page 13

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DIANA SUAREZ

2

be to reconvene the dep -- the whole deposition
maybe a day next week and -- and you'd have the
opportunity to -- to look at the e-mails in -- in
that regard.

6

The one thing that we would like
to be able to do is -- this is expensive for her
to come over here. We're -- we're -- we have not
funded that. If we do want -- if we do have to
bring her back to Houston, we would like to be
able to pay the cost of that. We -- "we" meaning
me and -- and Peter. So I -- I would hope
you-all would -- would agree to that.

14

But we recognize that, you know,
it would have been much preferable to get this
stuff quicker. We certainly aspired to get it to
you quicker, but things are what -- what they
are. So with that, you know -- and I'm happy to
address any other issues that you have regarding
the document production. But -- but we're --
we're -- we understand that -- that -- that this
isn't the way it -- it should be done and -- and
we're apologetic and we'll -- we'll -- we'll do
what -- what is necessary to make sure you guys
have the -- the appropriate opportunity to

1

DIANA SUAREZ

2

examine her on these -- these documents.

3

MR. BOLIA: Well, and we
appreciate that.

5

MR. SWANSON: The -- the other
thing was privilege. We don't -- we haven't
withheld any documents on a privileged basis
except the documents that are between us and --
and Ms. Suarez, and that's been the same, I
think, for -- for every plaintiff in this case,
that there is no privilege log because there are
no documents withheld and that we don't log
documents that are prepared during the -- the
course of -- of the litigation, typically.

15

With -- with respect to the
e-mails that are recovered from the Yahoo
account, I think Ms. Suarez had a lawyer at -- at
the time that some of the e-mails are addressed
to. So those e-mails -- and I don't know how
many of them there are. I don't think there's a
lot. Those ones we'll have to look at. I don't
think they have anything to do with this case.
So it may well be that with your permission,
we'll just give them to you, and if -- as long as
you don't argue that that's waiving the privilege

Page 15

1 DIANA SUAREZ

2 that -- that we have now. We'll give it to
3 you -- to you and you can look at them. But we
4 need to review them, and we haven't reviewed them
5 yet. So I think that probably covers the
6 privilege issue.

7 If there is anything that we have
8 withheld on a privilege basis -- Ben -- Ben's not
9 here, but he'll be here in a little bit, and we
10 can -- we can all ask him about that at that
11 point. But we're -- we're happy to prepare a --
12 a log. But I think you'll find that there really
13 isn't much, if -- if anything, that falls in that
14 category. So . . .

15 MR. BOLIA: Okay. We're prepared
16 to go forward today, but we obviously have not
17 reviewed the documents. You produced them after
18 10:00 o'clock last night. And like you said,
19 they're almost all in Spanish. So we reserve the
20 right to review those documents and recall the
21 witness if we need to.

22 MR. SWANSON: Yeah.

23 MS. REED: Anyone else have a
24 different position?

25 MS. NEUNER: No, not different.

1 DIANA SUAREZ

2 A. No.

3 Q. No, you don't know or no, there aren't?

4 A. There aren't.

5 Q. Okay. Before the Stanford collapse, which

6 happened in February of 2009, had you ever heard of

7 Société Générale Private Banking --

8 A. No.

9 Q. -- (Suisse)?

10 A. No, I didn't.

11 Q. When was the first time you heard of

12 Société Générale Private Banking?

13 A. When this class -- class lawsuit was made.

14 Q. And what did you hear about it?

15 A. When?

16 Q. No, what.

17 A. What I -- it's -- let me see -- think how

18 I'm going to say this. The bank -- can I talk to him

19 in Spanish so he can say the answer for me?

20 Q. Sure.

21 (Witness speaking to the

22 interpreter in Spanish.)

23 A. (Through the interpreter) That the bank

24 was not doing what it should have been doing for its

25 investors.

1 DIANA SUAREZ

2 CDS.

3 Q. Regarding my client, Société Générale
4 Private Banking, what is your understanding of its
5 role with Stanford?

6 (Witness speaking to the
7 interpreter in Spanish.)

8 A. (Through the interpreter) At this moment,
9 no, I would have to read everything again.

10 Q. (BY MR. BOLIA) You don't currently have
11 any understanding what Société Générale is alleged to
12 have done wrong?

13 A. (Through the interpreter) Exactly, no.

14 Q. How much time -- since you've been
15 involved in the case, how much time have you spent
16 working on the case?

17 A. (In English) Not much.

18 Q. Can you give me an estimate?

19 A. I -- I -- I started getting -- getting
20 involved in it since May in 2015. I thought my son
21 Gabriel could be the one that had the deposition and
22 everything for me.

23 Q. But since May of this year, what have you
24 done?

25 A. Oh, every time I receive a document or

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1 DIANA SUAREZ

2 are seeking or have previously sought to be
3 named as --

4 A. Yes.

5 Q. -- class representatives?

6 And what do you know about any of them?

7 A. Nothing, really.

8 Q. Have you talked to any of them?

9 A. No.

10 Q. Have you exchanged e-mails with any of
11 them?

12 A. No.

13 Q. Do you know that some people on this

14 have -- that the lawyers have sought to withdraw them
15 as class representatives?

16 A. No, I haven't -- I haven't -- I mean, I
17 don't know.

18 Q. You were not aware of that?

19 A. No.

20 MR. SWANSON: I think we're at
21 about an hour so when --

22 MR. BOLIA: We can take --

23 MR. SWANSON: -- when we get to a
24 good breaking point.

25 MR. BOLIA: No, we can take a

1 DIANA SUAREZ

2 Q. If you look at the top of Exhibit 4,
3 you'll see that it says, "Filed 4-16-15," which is
4 April 16th of 2015.

5 A. Uh-huh.

6 Q. Had -- did anything change between you and
7 Gabriel between April 16th, 2015, and May 1st of 2015
8 in terms of your ability to be a named class
9 representative in this case?

10 A. Like I said before, I -- I got, like, more
11 involved in the case, and I read more things. And I
12 met the lawyers and we talk about it. But, really,
13 we have the lawyers, because they are the ones that
14 know more about all this stuff, and I let them to --
15 to do what they should do.

16 Q. Ms. Suarez, I've handed you what has
17 previously been marked as Exhibit 8, which is titled
18 Plaintiffs' Second Amended Class Action Complaint.

19 Have you seen this document before?

20 A. Yes.

21 Q. When did you first see this document?

22 A. When it was sent to me by mail.

23 Q. And when was the second amended class
24 action complaint sent to you by mail?

25 A. Exactly to date, I don't remember, but it

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1 DIANA SUAREZ

2 should be around May.

3 Q. Who sent you the second amended class
4 action complaint?

5 A. My lawyer.

6 Q. Which lawyer?

7 A. Ben.

8 Q. Ben Ricard?

9 A. Yes.

10 Q. Okay.

11 A. Sorry I cannot pronounce that last name.

12 Q. Did you read the -- the second amended
13 class action complaint?

14 A. I just -- read it, I don't know how you
15 say that, when --

16 (Witness speaking to the
17 interpreter in Spanish.)

18 A. (Through the interpreter) I just read
19 over it, more or less, the pages.

20 Q. (BY MR. BOLIA) You just skimmed it?

21 A. (In English) Yes. I thought it was too
22 much to read and I wouldn't understand everything,
23 and that's why I hired Ben and Jim.

24 Q. I think some of the defendants might think
25 it's too much to read, too.

1 DIANA SUAREZ

2 MR. SWANSON: It's too much to
3 write, that's for sure.

4 Q. (BY MR. BOLIA) Do you have an
5 understanding of what is different about the second
6 amended class action complaint than plaintiffs' first
7 amended petition?

8 A. No, I don't.

9 Q. Do you know what the allegations are in
10 the second amended class action complaint?

11 A. Allegations?

12 (Witness and interpreter
13 conferring in Spanish.)

14 Q. (BY MR. BOLIA) The claims against the
15 defendants. Do you know what the claims against the
16 defendants are --

17 A. (In English) Yes.

18 Q. -- in the second amended --

19 A. Yes.

20 Q. -- class action complaint?

21 A. I would say yes.

22 Q. And what are those?

23 A. Do I have to say one by one? My God.

24 Q. Just your understanding of --

25 A. Yeah --

1

DIANA SUAREZ

2

Q. -- of what the claim --

3

A. -- it's the same thing that I said all the

4

time. It's a -- that we were not represented by the

5

banks. We -- the plaintiff in the case, we -- we

6

were not were represented with the banks. I mean,

7

the banks, they didn't do their best for our

8

interests.

9

Q. Anything else?

10

A. No.

11

Q. Since May 1st of 2015, how often have you spoke with your counsel about this case?

13

A. My counsel, my -- my --

14

Q. Your lawyers.

15

A. -- lawyer?

16

Not too many times. I talked to Ben about two or three times and with Jim, the -- when we met in -- in Miami and yesterday and today.

19

Q. Have you heard of an entity called the

20

Official Stanford Investors Committee? I'm sorry.

21

Have you heard of an entity called the Official

22

Stanford Investors Committee?

23

A. I would say the truth, the -- the first

24

time I -- I -- I read about it was in this documents.

25

Q. And do you have an understanding of what

1

DIANA SUAREZ

2

their role is?

3

A. No, I don't.

4

Q. When did you first hear about Stanford?

5

A. Okay. For a long time in around 1999,

6

2000, my -- my family, two of my aunts, have their
money in Stanford in Venezuela, and they told me
about it. And they -- they receive a good interest
in their CDs and -- that they were doing pretty good,
that they thought it was a good idea if I put my
savings on those CDs.

12

Q. And what were your aunts' names?

13

A. My aunt, one was Josefina Dubuc, and the
other one was Elsa Picon.

15

Q. Which side of the family were they on,
your mom's or dad's?

17

A. My mother's side of family.

18

Q. Okay. Do you know how your two aunts came
to be invested in Stanford?

20

A. No.

21

Q. Do you know how long they had been
invested in Stanford before they told you about it in
'99 or 2000?

24

A. No.

25

Q. When your aunts told you about Stanford

1 DIANA SUAREZ

2 A. I reconsider to have my money -- my money
3 in UBS and went to talk to her in the office in
4 Miami, and I decide that it was much better for me to
5 have the money there, because I could understand
6 better where I have my money.

7 Q. And so this is still early 2006 you
8 decided to -- did you fly from Caracas to Miami?

9 A. Yes, I used to come to Miami every year;
10 after we separate, two times a year to Miami.

11 Q. Why did you travel to Miami two times a
12 year?

13 A. Because I wanted my -- my son Gabriel to
14 be in touch with my husband all this time and to --
15 to -- to go to Miami. I like Miami.

16 Q. Where did you stay when you came to Miami
17 during that time?

18 A. Since my husband moved to a small
19 apartment, at the beginning, I stay with him. We
20 stay with him. But after he moved, we couldn't stay
21 with him, so I stay in a hotel.

22 Q. Do you remember when you flew to Miami to
23 speak with Maria Villanueva about investing in the
24 Stanford CD? Do you remember what month in 2006 it
25 was?

1

DIANA SUAREZ

2

A. Oh, it was between February and March

3

of 2003.

4

Q. 2003 or 2006?

5

A. 2006.

6

Q. Where did you meet Maria Villanueva in

7

2006 when you flew to Miami?

8

A. At her office.

9

Q. Where was her office?

10

A. In Miami.

11

Q. Do you know where in Miami Maria's office

12

was?

13

A. I think it was in the Intercontinental

14

building or Intercontinental hotel right there in the

15

Biscayne Bay.

16

Q. Was Maria Villanueva's office her own

17

office or was she part of a Stanford group office?

18

A. She was in the Stanford group office.

19

Q. So there were more Stanford people there

20

than just Maria Villanueva?

21

A. Yes.

22

Q. Okay. Can you just describe for me what

23

the meeting was like with her, the first meeting in

24

2006?

25

A. Yes.

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1

DIANA SUAREZ

2

Q. This is Maria Villanueva.

3

A. Okay. I went to that office with my aunt,

4

Elsa Pico; and my mother. And it was very friendly.

5

She explained -- she talk -- we talk about, you know,

6

families and how long she met my husband and all

7

that, and then she explained to me what the CDs were

8

about.

9

I remember that I asked her, "This is very

10

secure?"

11

And that she said, "Of course."

12

And since I thought, you know, that invest

13

anything in the United States was the -- the -- the

14

best, because nothing would happen, anything here in

15

the United States. I did, realizing that, you know,

16

it was a good -- good idea and I -- I start doing all

17

the -- all the procedures to -- to -- to open the

18

account.

19

Q. What were those procedures to open the

20

account?

21

A. She needed some documents, like, license,

22

my -- my driver's license, a check from U -- UBS

23

Bank, my sons' identifications. I don't recall any

24

more.

25

But that paper that she gave me with

1 DIANA SUAREZ

2 A. Yes.

3 Q. When you -- other than filling out the
4 application to open the account in 2006 when you met
5 with Maria Villanueva, did you review any documents
6 at that time?

7 A. Let me ask you something. What kind of
8 documents?

9 Q. Did she provide you any materials about
10 the Stanford business, any brochures?

11 A. No, she didn't. I trust her completely
12 what she said to me.

13 Q. You relied on her to --

14 A. I relied on her.

15 Q. -- give you advice to make the investment
16 in Stanford?

17 A. Yes, I did.

18 Q. Is it fair to say that you relied on her
19 exclusively? And by "her" I mean, Maria Villanueva.

20 A. About Stanford? Yes.

21 Q. Had you done any research of your own into
22 Stanford before you decided to purchase your CD?

23 A. No, I didn't.

24 Q. Did you --

25 A. The only -- the only -- excuse me.

1 DIANA SUAREZ

2 Q. Your first investment in Stanford was a
3 certificate of deposit in March of 2006, roughly --

4 A. Roughly --

5 Q. -- is that correct?

6 A. -- yes.

7 Q. How much -- how much was that; do you
8 remember?

9 A. I think -- I think it was REDACTED

10 Q. And the -- the money that you used to
11 purchase your first Stanford CD in March of 2006, did
12 that all come from your UBS account?

13 A. Yes, yes. Not all. Part of the UBS and
14 the other part, like I said before, from my uncle's
15 inheritance.

16 Q. And where had the money from your uncle's
17 inheritance been before you put it in the Stanford
18 account?

19 A. In UBS.

20 Q. Okay. When you purchased your first CD
21 with Stanford in March of 2006, were you living in
22 Venezuela at the time?

23 A. Yes, I was.

24 Q. Have you ever lived in -- have you ever
25 purchased a Stanford CD when you were living in

1 DIANA SUAREZ

2 Texas?

3 A. Never.

4 Q. Did you ever mail a payment to anyone in
5 Texas related to a Stanford product?

6 A. That I can recall, no.

7 Q. Did you ever communicate with anyone in
8 Texas about your purchase of Stanford CDs?

9 A. No.

10 Q. Did you make all of your purchases of
11 Stanford CDs in Miami?

12 A. Yes.

13 Q. All of those purchases were through Maria
14 Villanueva?

15 A. Yes.

16 Q. Is there any reason why you purchased your
17 CDs through a financial adviser in the United States
18 rather than in Venezuela, the country you were living
19 at the time?

20 A. Oh, the -- the -- the reason was that I
21 felt safer investing in the United States.

22 Q. Why did you feel safer investing in the
23 United States?

24 A. Because my country was very unstable.

25 Q. What was going on in your country at the

1

DIANA SUAREZ

2

time that -- your country in Venezuela at 2006.

3

A. That Hugo Chavez won the election. He was

4

the president. And he start moving like a communist

5

government. He became as a president democratically,

6

but after that, it was fraud after fraud in these --

7

in the elections. And so I -- I -- I -- we all

8

decided that it was very unstable to have our money

9

in Venezuela. We didn't want to -- with money be

10

like other countries in the continent, so it was very

11

safe to have our savings outside of Venezuela.

12

13

Q. In the 2006 time frame, would the accounts

14

that you maintained in Venezuela, were they in US

15

dollars?

16

A. No.

17

THE WITNESS: Let me ask you

18

something.

19

(Witness speaking to the

20

interpreter in Spanish.)

21

A. (Through the interpreter) Currency

control.

22

A. (In English) We had that since 2002 in

23

Venezuela, so we didn't have -- we couldn't any

24

currency that it wasn't really worth.

25

Q. (BY MR. BOLIA) Since 2002, you had to

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1 DIANA SUAREZ

2 with this -- you know, with Stanford, because it was
3 an American investment, it was secure.

4 Q. Did Ms. Villanueva ever tell you that the
5 Stanford CDs were insured?

6 A. She never say that they weren't or they
7 were, never.

8 Q. You never discussed it with her either
9 way?

10 A. Never.

11 Q. Did you ever read any documents that said
12 that the Stanford CDs were insured?

13 A. No.

14 MR. BOLIA: Oh, can I get those
15 back? I need to mark them. Sorry about that.
16 Well, just this one.

17 (Exhibit 93 marked.)

18 Q. (BY MR. BOLIA) The one with the sticker
19 is yours. Sorry.

20 A. This is mine?

21 Q. The one with the yellow sticker on it.

22 A. Okay.

23 Q. So, Ms. Suarez, I've handed you what's
24 been marked as Exhibit 93. It's -- the top e-mail is
25 in Spanish and then underneath there's a translation

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1 DIANA SUAREZ

2 THE VIDEOGRAPHER: We're on the
3 record at 13:12.

4 Q. (BY MR. BOLIA) Did I give you more than
5 two copies?

6 A. Oh, you gave me --

7 Q. Could you hand me back --

8 A. Oh, a lot. Let me take two.

9 Q. Thank you.

10 A. Oops. Sorry.

11 Q. No, that's okay. I appreciate it.

12 A. Ms. Suarez, I've handed you what's been
13 previously marked as Exhibit 11, which is copies of
14 four certificates of deposit that are in your name
15 and your three children's names; is that correct?

16 Q. A. Yes.

17 Q. You've seen all of these before?

18 A. A. Yes, sir.

19 Q. This one's going to be tough because it's
20 really small print. But if you look at the -- at the
21 paragraph in the middle of the page --

22 A. Uh-huh.

23 Q. -- almost, let's see, one, two, three,
24 four, five lines down it says, "This certificate is
25 subject to the bank's general terms and conditions

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1 DIANA SUAREZ

2 If you turn to the second page at the
3 bottom, that CD dated February 16th, 2007, you see
4 that it says it's a fixed CD?

5 A. Wait. Which one?

6 Q. The -- the fourth CD on the second page of
7 SUAREZ_135.

8 A. 16?

9 Q. Yeah, 16 February 2007 --

10 A. Uh-huh.

11 Q. -- do you see that?

12 A. Yes.

13 Q. And do you see that this says it's a fixed
14 CD?

15 A. Yes.

16 Q. And can you tell me again what your
17 understanding of what a fixed CD was?

18 A. That I could not take the money out -- I
19 mean, the -- the -- I could take the interest, but
20 not the -- the -- the money.

21 Q. The principal?

22 A. The principal.

23 Q. Okay. If we go back to the first CD, the
24 one dated March 6, 2006, you see that the interest
25 rate on the -- it's in the bottom left-hand corner

1

DIANA SUAREZ

2

was 4.775 percent?

3

A. Uh-huh.

4

Q. Did you have any understanding of what the
interest rate for comparable CDs in the United States
was at the time?

7

A. Yes, this was much higher.

8

Q. Do you know how much higher this was than
comparable CDs?

10

A. I would say I think it was about two --
two -- two points.

12

Q. And where did your understanding come from
that this had a two point higher --

14

A. Maria --

15

Q. -- interest rate?

16

A. -- Villanueva told me. I mean, you --

17

THE REPORTER: I'm sorry?

18

THE WITNESS: Maria Villanueva

19

told me. And she said, "You will get more
from -- from your money with Stanford because of
the interest rates."

22

Q. (BY MR. BOLIA) And did she tell you why
he was able to generate a higher interest rate?

24

A. No, and I never asked.

25

Q. So if you look at this Exhibit 11, there's

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1

DIANA SUAREZ

2

a CD from March 6th, 2006. That's the first one.

3

You see that?

4

A. Uh-huh.

5

Q. The second one is from September 15th,

6

2008. Do you see that?

7

A. Yes.

8

Q. And then the third CD on Exhibit 11 is
from September 6th, 2007. Do you see that?

9

A. September 6th, yes.

10

Q. And then the fourth CD on -- on Exhibit 11
is from February 16th, 2007. Do you see that?

11

A. Yes.

12

Q. If you go back to your declaration, which
was Exhibit 10, and if you look at Paragraph 3 --
excuse me -- Paragraph 3 --

13

A. Uh-huh.

14

Q. -- it also says that there was a CD issued
on September 6th, 2006 --

15

A. Uh-huh.

16

Q. -- do you see that?

17

A. Yes.

18

Q. That's not included with this exhibit. Do
you still have a copy of that CD?

19

A. I was never -- they -- they never send me

1 DIANA SUAREZ

2 the market started going down, I think, and I think I
3 got [REDACTED], and then it will start going down, down,
4 down to 20.

5 Q. Do you still have that IRA?

6 A. Yes -- no, it's not an IRA anymore because
7 it has a -- a -- a low amount that it's just like a
8 savings account.

9 Q. And how much is in that savings account?

10 A. REDACTED

11 Q. And which bank is the savings account with
12 that we're talking about?

13 A. UBS.

14 Q. UBS.

15 Did you ever cash in any Stanford CDs
16 before 2009?

17 A. No, I didn't.

18 Q. You didn't redeem any CDs?

19 A. No.

Q. You always put your money in and you left it in there for the entire time?

22 A. Yes.

Q. And other than the interest withdrawals

24 that you received on a monthly basis, that's the only

25 money that you took out of Stanford?

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1 DIANA SUAREZ

2 A. Yes, sir.

3 Q. You didn't have any other investments with
4 Stanford besides CDs, did you?

5 A. No, only the -- the two CDs.

6 Q. Other than the visits to the Miami office,
7 have you ever visited any other Stanford offices?

8 A. No, I never did.

9 Q. What about in Venezuela? Did you visit
10 any Stanford offices there?

11 A. I never did.

12 Q. You didn't visit your -- is it your
13 cousin?

14 A. My cousin, no.

15 Q. Okay. Have you ever met Allen Stanford?

16 A. I never did.

17 Q. Other than Maria Villanueva, have you met
18 any other Stanford employees?

19 A. Her assistants.

20 Q. Have you ever had any communications with
21 any of the defendant banks about your CD purchases?

22 A. No, I never.

23 Q. What about for any other reason? Have you
24 communicated with any of the defendants for any other
25 reason?

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1 DIANA SUAREZ

2 Q. And then the next column over, it says the
3 allowed amount is **REDACTED**.

4 Do you see that?

5 A. Yes, sir.

6 Q. Do you know why the receiver disallowed
7 your claim amount by one hundred and -- roughly
8 **REDACTED**?

9 A. I suppose it's because of the interest
10 that I was getting from all the money that it was
11 fraudulent.

12 Q. So you think that you earned roughly
13 **REDACTED** in interest over the term of your CDs?

14 A. If that -- if they say so.

15 Q. Did they give you any explanation for why
16 they disallowed your claim amount in that amount,
17 "they" being the receiver?

18 A. Not that I know.

19 Q. Did you make any objection to the
20 receiver's determination of your claim?

21 A. No.

22 Q. Do you know if your son Gabriel did?

23 A. I don't know.

24 THE INTERPRETER: Counsel, can we
25 take a bathroom break?

Page 154

1 DIANA SUAREZ

2 receiver?

3 A. Yes.

4 Q. How many?

5 A. [REDACTED].

6 Q. I think that was how much.

7 A. Huh?

8 Q. If you received [REDACTED] payments, that would
9 be very impressive?

10 A. Oh, no, no, no, no.

11 MR. SWANSON: Right. Great.

12 A. Wow, yeah.

13 Q. (BY MR. BOLIA) How many times have you
14 received payments from the receiver?

15 A. Only one time.

16 Q. Are you sure about that?

17 A. Yes, sir.

18 Q. This is Exhibit -- previously marked
19 Exhibit 17. And it's a check from the US receiver
20 Stanford Financial Claims dated September 26th, 2013,
21 for the amount of [REDACTED].

22 Have you seen this, Ms. Suarez?

23 A. Yes, sir.

24 Q. And it's made out to you and your three
25 sons; is that correct?

Page 155

1

DIANA SUAREZ

2

A. Yes, sir.

3

Q. Did you deposit this check?

4

A. Yeah -- my son did.

5

Q. What account did he deposit -- did your
son deposit this check into?

6

A. I think it was my Bank of America.

7

Q. So I've just handed you what's previously
been marked as Exhibit 18 --

8

A. Uh-huh.

9

Q. -- which is a check from the US receiver,
Stanford Financial Claims, dated November 19th, 2014,
and it's made out to you and your three sons,
Eduardo, Daniel, and Gabriel.

10

Have you seen this?

11

A. Never.

12

Q. You've never seen this before?

13

A. No, sir.

14

Q. Have you talked to your son Gabriel about
any payments that he might have received from the
Stanford receivership?

15

A. The only one that he told me that he
received was this one, the -- the first one, the
Exhibit 17. I haven't seen this one.

16

Q. Did your son produce documents to your

Page 158

1 DIANA SUAREZ

2 A. Uh-huh.

3 MR. SWANSON: You're going to have
4 to say -- you have to say "yes," because they
5 can't --

6 A. Yes.

7 MR. SWANSON: -- write down a --

8 A. Uh-huh.

9 Q. (BY MR. BOLIA) Yes, you have filed a
10 claim with the Antiguan --

11 A. Yes.

12 Q. -- liquidators?

13 Ms. Suarez, I'm handing you what's
14 previously been marked as Exhibit 19.

15 Do you recognize this document?

16 A. Yes, I -- I have read this.

17 Q. And if you turn to the page that's marked
18 SUAREZ_160.

19 A. 160, uh-huh.

20 Q. Is that your signature at the top?

21 A. Yes.

22 Q. And do you recognize the signatures of
23 your sons?

24 A. Yes.

25 Q. Does this appear to be the signatures of

Page 159

1 DIANA SUAREZ

2 your three sons, Gabriel, Daniel, and --

3 A. And Eduardo.

4 Q. -- and Eduardo?

5 A. Uh-huh.

6 Q. If you turn to the page marked SUAREZ_156.

7 A. 156, uh-huh.

8 Q. Are you there?

9 A. Yeah.

10 Q. And first off, did you -- you said you

11 signed it. Did you fill out this document,

12 Exhibit 19?

13 A. (Witness reading.)

14 Yes, I did.

15 Q. Okay. So let's go back to SUAREZ_156.

16 You'll see there's a box about halfway down the page
17 where it says -- above it there's some text and it
18 says that "I deposited the following amounts."

19 MR. SWANSON: 156, I think.

20 Q. (BY MR. BOLIA) 156, yes.

21 A. Okay.

22 Q. Okay. So do you see where it says that "I
23 deposited the following amounts at the dates shown to
24 my accounts"?

25 A. Uh-huh.

Page 160

1 DIANA SUAREZ

2 Q. And then there's a box underneath that
3 says [REDACTED]

6 A. Uh-huh. Yes.

7 Q. -- as of February 17th, 2009.

8 Do you see that?

9 A. Yes.

10 Q. Below that, it says that " [REDACTED]

15 [REDACTED]

25 Q. If you go to page -- the page marked

Page 161

1

DIANA SUAREZ

2

SUAREZ_165.

3

MR. SWANSON: 165, yeah.

4

A. Okay.

5

Q. (BY MR. BOLIA) And this page is entitled

6

Notes to Proof of Debt. If you look down at No. 7

7

where it says, "Any failure to deduct all amounts

8

received from SIB of any kind in relation to your

9

accounts to arrive at a net claim may result in a

10

denial of your claim and will delay the processing of

11

your claim and any distribution to you."

12

Do you see that?

13

A. Yes.

14

Q. Did you read that at the time?

15

A. I suppose I did.

16

Q. Did you understand that if you didn't

17

inform the joint liquidators about any payments that

18

you received from Stanford, including interest

19

payments, that it could result in a denial of your

20

claim or a delay in payment?

21

A. I -- I don't know. I really don't know

22

why I didn't do -- I don't remember.

23

Q. Have you informed the United States

24

receiver that you've also submitted a claim to the

25

Antiguan joint liquidators?

Page 162

1 DIANA SUAREZ

2 A. I think I did.

3 Q. What makes you think that?

4 A. Like I say before, everything during those
5 days, everything that was asked to be -- to do I did.
6 If I received things from Antigua or the United
7 States, I did both. I was desperate. I wanted my
8 money back.

9 MR. BOLIA: Objection,
10 nonresponsive.

11 Q. (BY MR. BOLIA) Why do you think that you
12 told the receiver that you had also submitted a claim
13 to the Antiguan liquidators?

14 A. Can you explain the -- the -- the
15 question? Why?

16 Q. Do you think that you told the receiver
17 that you had also made a claim to the Antiguan
18 liquidators?

19 A. I think I did.

20 Q. And why do you think that?

21 A. Because I -- I did everything that I was
22 told to do.

23

REDACTED

[REDACTED]

[REDACTED]

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1

DIANA SUAREZ

2

REDACTED



[redacted]

Page 165

1 DIANA SUAREZ

2 file for it.

3 Q. Were you required to report income earned
4 in the United States on Venezuelan tax returns?

5 A. No.

6 Q. How do you know that?

7 A. I asked and it wasn't enough. The -- the
8 amount wasn't -- how you call that -- I mean, enough
9 to -- to file for taxes.

10 Q. Who did you ask?

11 A. The government offices.

12 Q. Have you reported your -- the loss that
13 you're claiming in relation to the Stanford fraud,
14 have you reported that loss on any tax return in the
15 United States?

16 A. No.

17 Q. Ms. Suarez, I have handed you what's
18 previously been marked as Exhibit 20, a January 26,
19 2014 communication from Grant Thornton. And it
20 appears to be to your son Gabriel's e-mail account at
21 Gmail.

22 Have you seen this?

23 A. (Witness reading.)

24 I don't recall seeing it, but I knew he
25 was doing this.

Page 166

1

DIANA SUAREZ

2

Q. And do you know who Grant Thornton is?

3

A. Oh, my God, I forgot.

4

Q. If you look about -- let's see, it's the
5 third paragraph in the letter. It says, "According
6 to company records."

7

Do you see where I'm starting?

8

A. Yes.

9

Q. It says, "

REDACTED



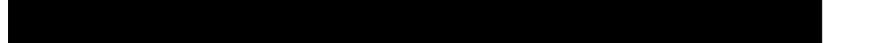
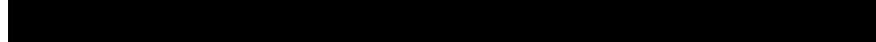
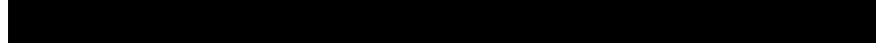
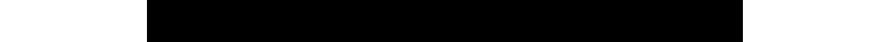
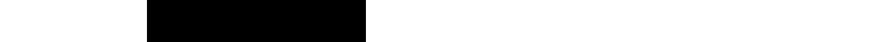
Page 167

1

DIANA SUAREZ

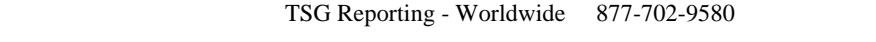
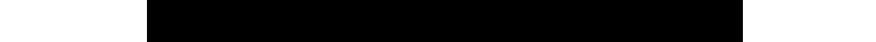
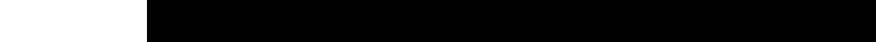
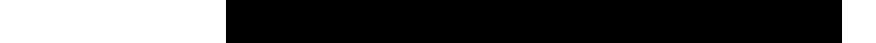
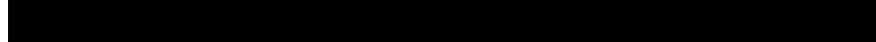
2

REDACTED



15

REDACTED

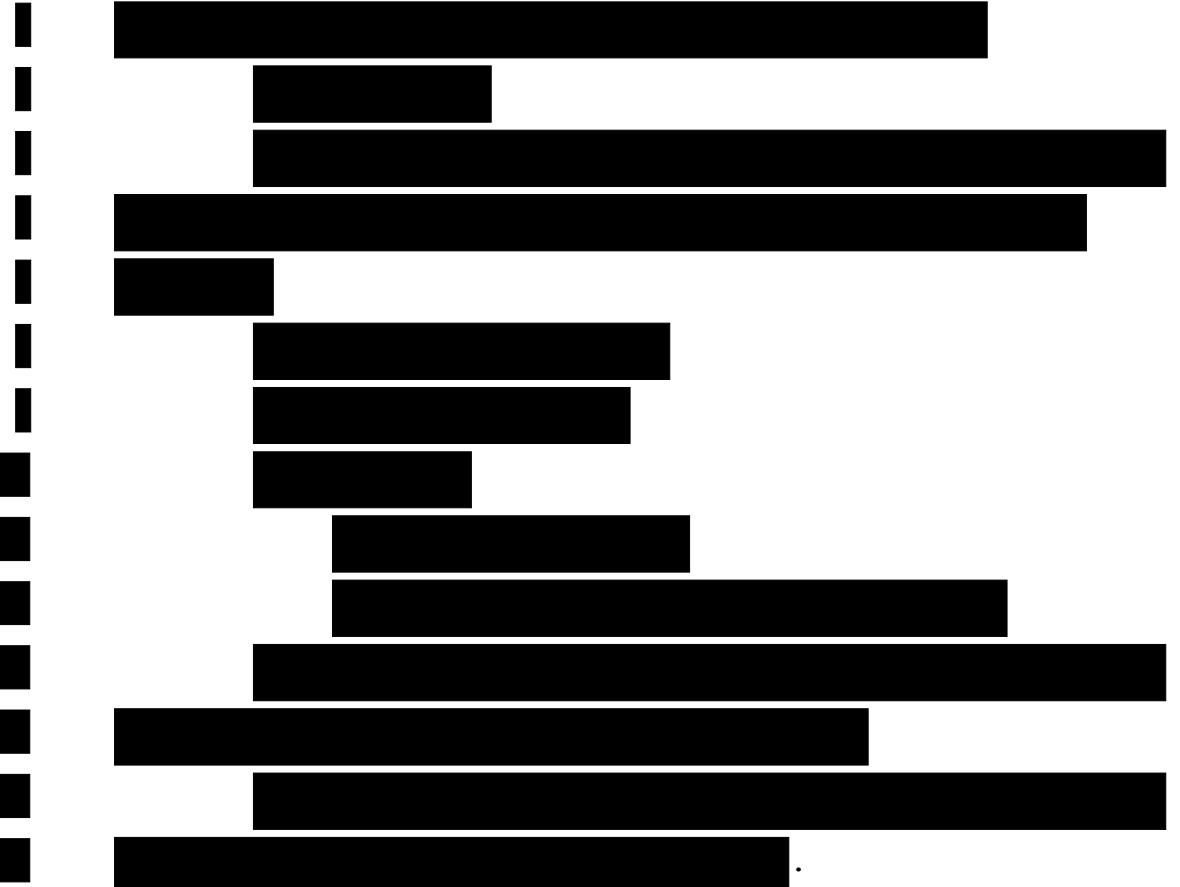


1

DIANA SUAREZ

2

REDACTED



17

Q. And who's your brother?

18

A. Hendrik Rijsdajk.

19

Q. Where does he live?

20

A. He's dead.

21

Q. When did he die?

22

A. In -- today, three years ago in first of

23

July nine -- 2012.

24

Q. And where did he live?

25

A. In Venezuela.

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1 DIANA SUAREZ

2 Q. What makes you think that he would have
3 done this, Hendrik?

4 A. After what happened with Stanford, he got
5 very depressed and very sick. He got cancer, and he
6 didn't have -- how to pay for his treatments or
7 anything, so he was really ill. Psychiatric --
8 psychiatrically I took him to -- to -- to a
9 psychiatrist. And he was really mixed up with his
10 illness and this.

11 Q. Can you spell his name for the court
12 reporter?

13 A. Hendrik, H-e-n-d-r-i-k, Hendrik.

14 Q. And then Ri -- Rijsdajk.

15 A. Rijsdajk.

16 Q. Rijsdajk.

17 A. R-e -- no -- -i- -- R-i-j-s-d-a-j-k.

18 REDACTED

Page 170

1

DIANA SUAREZ

2

REDACTED

[REDACTED]

12

Q. Can you go back to Exhibit 19.

13

A. Yes.

14

Q. Turn to SUAREZ_160, the signature page.

15

A. Yes.

16

Q. Is that your signature?

17

A. It looks like mine, yeah.

18

19

Q. Look -- and then look at Exhibit 95. Does
that look like yours, too?

20

A. Excuse me. 95?

21

Q. Yeah.

22

MR. SWANSON: This is --

23

24

Q. (BY MR. BOLIA) No, Exhibit 95, the
letter --

25

MR. SWANSON: The letter.

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1 DIANA SUAREZ

2 Q. (BY MR. BOLIA) 95.

3 MR. SWANSON: She's getting a
4 little confused because she doesn't have --

5 MR. BOLIA: She --

6 A. I --

7 MR. SWANSON: -- the number on
8 that one. I don't know why.

9 MR. BOLIA: Because you took it.

10 MR. SWANSON: Let's just trade
11 them. Let's trade this so -- so she's got the
12 right thing.

13 THE WITNESS: Okay.

14 MS. NEUNER: Can you identify
15 Exhibit 95 --

16 MR. BOLIA: So I think the --

17 MS. NEUNER: -- for the record?

18

REDACTED



Page 173

1

DIANA SUAREZ

2

REDACTED



12

MR. BOLIA: I'll pass the witness.

13

MR. REPASS: Are we ready?

14

(Exhibit 96 marked.)

15

EXAMINATION

16

BY MR. REPASS:

17

Q. Ma'am, my name is Brad Repass. I'm a

18

lawyer. I represent Independent Bank, used to be

19

Bank of Houston, okay?

20

I'm going to be handing you Exhibits 96,

21

97, 98, and then a few more. And I would like you

22

just to sign your name on each of these pieces of

23

paper, please, one at a time. That's Exhibit 96.

24

I'm sorry.

25

MR. BOLIA: I've got it down if

Page 200

1 DIANA SUAREZ

2 don't -- I don't know, because when I make the
3 deposits through Maria Villanueva, I didn't know in
4 which bank they went. I just make the deposit to the
5 Stanford International Bank.

6 Q. Well, if you don't know how -- whether
7 your money went to HSBC, how do you know that you
8 were harmed by HSBC?

9 A. I left that to investigate to my lawyers.

10 Q. So you have no personal knowledge of
11 whether you were harmed by HSBC's actions, do you?

12 A. No.

13 Q. Do you contend that HSBC allowed Stanford
14 to perpetuate his fraud?

15 A. Well, the banks were the only ones that --
16 that -- that they -- they saw what was going on with
17 his money.

18 MR. BRINKMAN: I'll object to that
19 response as nonresponsive.

20 Q. (BY MR. BRINKMAN) Please listen to my
21 question.

22 Do you contend that HSBC helped Allen
23 Stanford perpetuate his fraud?

24 MR. SWANSON: Asked and answered.
25 You just asked --

1 DIANA SUAREZ

2 Q. Do you know if any of the checks you wrote
3 to Stanford were processed by Trustmark?

4 A. I don't know.

5 Q. At the time you bought the Stanford CDs,
6 did you know whether or not Trustmark National Bank
7 provided banking services for Stanford?

8 A. I didn't know.

9 Q. When did you first learn that Trustmark
10 provided banking services for Stanford?

11 A. When we -- my lawyers did the -- the suit.
12 I mean, they sue the banks.

13 Q. And is that within the last few months
14 that you became involved that you learned --

15 A. Yes.

16 Q. -- that Trustmark --

17 A. Uh-huh.

18 Q. -- provided banking services?

19 A. Uh-huh. Yes.

20 Q. Have you ever heard of Republic National
21 Bank?

22 A. Yes.

23 Q. And have you ever heard of a Republic
24 National Bank that was headquartered in Houston?

25 A. Like, if I knew they have a bank? I mean,

Page 227

1 DIANA SUAREZ

2 Q. Great.

3 Let us look -- chronologically if you look
4 at the top right-hand corners, you'll see statement
5 dates. Let us look at the statement date for
6 July 31, 2008. And it's about two-thirds of the way
7 to the back of the --

8 MR. SWANSON: Is there a page --

9 Q. (BY MS. NEUNER) -- exhibit?

10 MR. SWANSON: -- is there a page
11 number on it?

12 MS. NEUNER: There is, but they're
13 not in order. So it's SUAREZ_0006.

14 MR. SWANSON: Let me see if I can
15 locate it for you. 0006.

16 Q. (BY MS. NEUNER) The key is to look at the
17 top right-hand corner, which is in chronological
18 order, and it's the statement as of July 31, 2008.

19 MR. SWANSON: Okay. I can find
20 that.

21 Got it.

22 MS. NEUNER: Thank you.

23 Q. (BY MS. NEUNER) Mrs. Suarez, do you see

24 that this statement from Stanford International Bank

25 Limited, which is sent to you and your three sons,

Page 228

1

DIANA SUAREZ

2 shows a total deposit as of July 31, 2008, of the

3 following amount: **REDACTED**. Do you see that in the

4 box --

5 A. Yeah.

6 Q. -- in the middle of the page?

7 A. Yes, I do.

8 Q. Do you recognize this as being the highest

9 amount that you ever had in your account for the

10 approximately three years that you were invested with

11 Stanford?

12 A. I would say if it says there, yes.

13 Q. Okay. Now, let's turn two pages to the

14 statement for August 31st, 2008.

15 A. Okay.

16 Q. Do you see the deposits -- total deposits?

17 Now it says **REDACTED**?

18 A. Yeah, right here.

19 Q. Okay. So you recognize that that's a

20 decrease in about **REDACTED** over the course of one

21 month, yes?

22 A. Yes.

23 Q. Now, if you turn the page once more to the

24 following page, which is Bates stamped SUAREZ_99, I

25 ask you to look at the middle block of information

1

DIANA SUAREZ

2

that is titled Flex CD USAI.

3

A. Yes.

4

Q. And if you look at the line item for

5

August 7th, 2008, do you see outgoing wire in the

6

transaction amount of --

7

A. REDACTED

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

12

A. If it's here, I did it, but I don't

13

remember. If it's here, I did it.

14

Q. Okay. So despite testifying earlier today

15

that you never took principal out of the Stanford

16

accounts --

17

A. Uh-huh.

18

Q. -- you now would say that you did, in

19

fact, take principal out of the Stanford accounts?

20

A. I say that if it -- I don't remember --

21

Q. Okay.

22

A. -- okay? And if it's here, I did it.

23

Q. Okay.

REDACTED

[REDACTED]

[REDACTED]

Page 236

1 DIANA SUAREZ

2 A. Yes, supposed.

3 Q. Now, Mrs. Suarez, to be clear, there was a
4 second CD that you purchased in February 2007, and
5 that was in the amount of approximately [REDACTED],
6 correct?

7 A. Yes, ma'am.

8 Q. And that money you obtained as proceeds
9 from the sale of your parents' apartment in
10 Venezuela, correct?

11 A. Correct.

12 Q. So the sum total of these two CD deposits,

13 [REDACTED]

[REDACTED], correct?

15 A. Correct.

16 Q. Do you recall making any other deposits of
17 principal besides the \$[REDACTED] that we've just
18 reviewed together?

19 A. No, I -- I don't recall.

20 Q. Okay. Now, you do recall taking out
21 approximately \$[REDACTED] in principal as we reviewed
22 on --

23 A. We reviewed.

24 Q. -- on the account statements, yes?

25 A. Yes.

Page 282

1 DIANA SUAREZ

2 that.

3 Do you have any documents that reflect
4 that?

5 A. No.

6 Q. Do you have any contact with TD Bank,
7 Toronto-Dominion Bank, my client?

8 A. No.

9 Q. You never had any accounts with TD Bank?

10 A. Never.

11 Q. And your family members never had accounts
12 with TD Bank?

13 A. That I know of, no.

14 Q. Are you aware of any actions by TD Bank in
15 connection with the Stanford Financial Group?

16 A. That is not this case or some other case?

17 Q. In this case, are you aware of any
18 involvement of Toronto-Dominion Bank with the
19 Stanford financial entities?

20 A. Exactly, no, but that was his -- their --
21 their job, to look for it.

22 Q. So all you know about Toronto-Dominion
23 Bank is what your lawyers told you about --

24 A. Yes.

25 Q. -- Toronto-Dominion Bank?

1

DIANA SUAREZ

2

A. Yes, yes, exactly.

3

Q. And from the time that your accounts were

4

frozen in February 2009 until April 15th, 2015, that

5

six-year period when you were first contacted about

6

being a class representative, were you thinking about

7

how the Toronto-Dominion Bank had wronged you

8

personally?

9

A. Personally? I would say no, but it was --

10

they were involved in the whole thing. And like I

11

said before, I left that job to my lawyers --

12

Q. Un --

13

A. -- to represent me.

14

Q. Until April 15th, 2015, when you became

15

involved in this litigation, had you ever taken any

16

legal action against the Toronto-Dominion Bank?

17

A. Never.

18

Q. Had you ever thought about taking any

19

legal action against the Toronto-Dominion Bank?

20

A. No.

21

Q. Mrs. Suarez, I know it's been a long day

22

for you.

23

A. Huge day, yes.

24

Q. I thank you. I'll ask one more question

25

before we leave.

Page 293

1 DIANA SUAREZ
2 (Deposition concluded.)
3
4
5
6
7
8
9
10
11

12 DIANA SUAREZ
13
14
15
16
17
18
19
20
21
22 Subscribed and sworn to before me
23 this ____ day of _____, 2015.
24
25 NOTARY PUBLIC

EXHIBIT 72

REVISED DECLARATION OF SALIM ESTEFENN URIBE

I, Salim Estefenn Uribe, state as follows:

1. I am at least twenty-one years of age and am competent to make this declaration.
2. I am a citizen of Colombia currently residing in Bogota.
3. I am the trustee for the Salesur II Trust and a beneficiary of the Esturicol Trust, which trusts were the beneficial owners of certificates of deposit ("CDs") in the Stanford International Bank, Ltd. ("SIBL"), including those CDs dated on or around:

- a. [REDACTED]
- b. [REDACTED]
- c. [REDACTED]

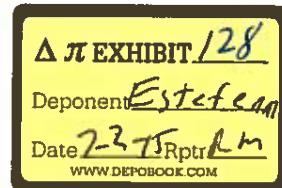
for the Esturicol Trust, and dated on or around:

- a. [REDACTED]
- b. [REDACTED] and
- c. [REDACTED]

for the Salesur II Trust.

4. In relation to the aforementioned SIBL CDs, the Esturicol Trust and the Salesur II Trust have submitted claims to the United States Receiver, Ralph S. Janvey.
5. The U.S. Receiver has recognized and allowed my claims, as detailed in claim numbers:

- a. [REDACTED]
- b. [REDACTED]
- c. [REDACTED]
- d. [REDACTED]



e. [REDACTED] and

f. [REDACTED]

for the Esturicol Trust, and claim numbers:

a. [REDACTED]

b. [REDACTED]

c. [REDACTED]

d. [REDACTED]

e. [REDACTED] and

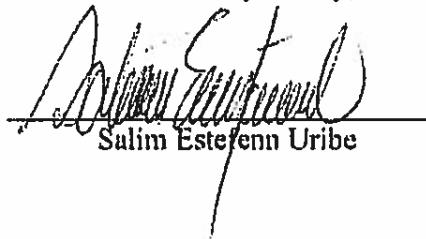
f. [REDACTED]

for the Salesur II Trust.

6. I am willing and able to take on the responsibilities demanded of me as a class representative in this matter, as I understand those responsibilities to include attending deposition and trial and protecting the rights of absent class members.

I state under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed this 1st day of July, 2015.



Salim Estefenn Uribe

EXHIBIT 73

Page 1

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF TEXAS
2 DALLAS DIVISION

3 PEGGY ROIF ROTSTAIN, et al.,

Plaintiffs,

VS.

7 TRUSTMARK NATIONAL BANK,
et al.,

8 Defendants.

Case No.
3:09-CV-2384-N-BG

9

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25 JOB NO: 94837

25 JOB NO: 94837

25 JOB NO: 94837

Page 3

1 SALIM ESTEFENN

2 A P P E A R A N C E S

3 BUTZEL LONG

4 Attorney for the Official Stanford Investors
Committee And the Class Plaintiffs

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11

12

GIBBS & BRUNS

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1 SALIM ESTEFENN

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20 MR. ALFREDO VARGAS - INTERPRETER
MR. ROBERT BIRDSALL - VIDEOGRAPHER
21

22
23
24
25

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1 SALIM ESTEFENN

2 Thacher & Bartlett representing the
3 Toronto-Dominion Bank.

4 MR. ACKER: Rodney Acker, Norton
5 Rose Fulbright, representing the Toronto-Dominion
6 Bank.

7 MR. BRINKMAN: Taylor Brinkman,
8 Locke Lord LLP, representing HSBC PLC.

9 MR. WOOTEN: Ryan Wooten, Morgan,
10 Lewis & Bockius, representing Blaise Friedli.

11 MR. MORGESTERN: Peter
12 Morgenstern for the Official Stanford Investors
13 Committee and the class plaintiffs.

14 MR. SWANSON: Jim Swanson for the
15 class.

16 MR. REICHARD: Ben Reichard for
17 the class plaintiffs.

18 THE VIDEOGRAPHER: Court reporter,
19 would you please swear in the witness.

20 (Witness sworn.)

21 MS. KLEBER: Before we get started
22 with the questioning this morning, I just want to
23 put on the record that we received an e-mail last
24 night from class counsel explaining that they had
25 identified some additional e-mails from Mr. Uribe

Page 10

1

SALIM ESTEFENN

2

that have not yet been produced and offered to
either postpone the deposition or give the bank
defendants the option to reconvene the deposition
at a later date after we've had a chance to
review those additional documents.

7

And the bank defendants have
elected to go forward with the deposition today,
but we are reserving our rights to reconvene the
deposition.

11

Does that accurately reflect the
state of play?

13

MR. MORGENSTERN: Yes, it does.

14

MS. KLEBER: Great.

15

SALIM ESTEFENN,

16

having been duly sworn, testified as follows:

17

EXAMINATION

18

BY MS. KLEBER:

19

Q. Will you please state your name for the
record.

21

A. Salim Estefenn.

22

Q. And is it appropriate to call you
Mr. Uribe or Estefenn?

24

A. Estefenn is my first last name. If --

25

Q. Okay. And what do you prefer?

Page 37

1 SALIM ESTEFENN

2 name?

3 THE WITNESS: Laserna,

4 L-a-s-e-r-n-a.

5 Q. (BY MS. KLEBER) When were you married?

6 A. 2004, October the 2nd.

7 Q. Is your spouse presently employed?

8 A. Yes.

9 Q. What is her job?

10 A. She's lawyer. She's an employee lawyer.

11 Q. She specializes in employment law?

12 A. Employment law.

13 Q. Have you ever been involved in a lawsuit
14 personally before?

15 A. No.

16 Q. Have -- during your time at Thema and
17 Prolibros, were those companies ever involved in any
18 lawsuits other than the bankruptcy that we've --

19 A. No.

20 Q. -- referred to?

21 A. Lawsuits, no.

22 Q. When was the first time you heard of

23 Stanford International Bank?

24 A. About two thou -- 1999.

25 Q. And how did you first hear about Stanford

Page 38

1

SALIM ESTEFENN

2

International Bank?

3

A. I had an account -- saving account in

4

Banco de Miami, and my adviser was Patricia Herr, and

5

she started to work in Stanford in 1999. She called

6

me and she showed me how was Stanford and she showed

7

me how was the portfoli -- the portfolio, and

8

that's -- that's the way I -- I knew Stanford,

9

really.

10

Q. Did you purchase Stanford CDs through

11

Ms. Herr?

12

A. Did I -- yeah, I bought it through her,

13

yeah.

14

Q. When was your first purchase of a Stanford

15

CD?

16

A. In 2002, maybe. Yeah, I think 2002. It

17

was -- I think it was 1999, but I changed the name of

18

the trust, so in the documents I do have, it was

19

2002.

20

Q. Did you ever purchase any Stanford CDs in

21

your individual capacity or were all of your

22

purchases done through trusts?

23

A. Everything was through trusts. Salesur is

24

my trust name.

25

THE REPORTER: What is it?

1

SALIM ESTEFENN

2

THE WITNESS: Salesur.

3

Q. (BY MS. KLEBER) What is the purpose of

4

investing through a trust as opposed to investing

5

individually?

6

A. Sorry?

7

Q. Why would you make your investment through

8

a trust as opposed to investing directly?

9

A. Just for privacy, I think. I -- privacy,

10

would you say, it's not -- it's for not showing my

11

name -- not Salim Estefenn, just Salesur, which is

12

Sal, S -- S -- S-a-l is Salim, E is Estefenn, U-r is

13

Uribe. So just for privacy, confidentiality.

14

Q. Why were you concerned about keeping your

15

investment confidential?

16

A. No, just because the process is not

17

working anymore. I mean, with this process, the

18

whole -- the whole claims we have to do is through

19

our names. I mean, the trust isn't work anymore.

20

Q. I think I'm trying to ask you a different

21

question. Back when you first made the investment in

22

1999, why were you concerned about keeping your

23

investment confidential such that you used a trust?

24

A. No. It was Patricia recommendation, I

25

think.

Page 40

1 SALIM ESTEFENN

2 THE REPORTER: What

3 recommendation?

4 THE WITNESS: Patricia Herr, who

5 was our adviser. We open a trust, it was her

6 recommendation.

7 Q. (BY MS. KLEBER) Why did she recommend

8 that you use a trust instead of invest directly?

9 A. Just create a trust. I mean, it was how
10 our portfolio at the time, that's what she knew, so
11 that -- she gave us the recommendation, just that.

12 Q. And did you ask her what her
13 recommendation was based upon?

14 A. No, no.

15 Q. So you just took that recommendation?

16 A. Yes, we thought we -- we had had a good
17 experience with her through Bank Bogota, so we
18 believe her.

19 Q. I want to come back to that. But for now
20 I want to ask you about the -- a few different trusts
21 that I've seen referenced to in some of your
22 documents. I've seen references to the Esturicol
23 Trust, right?

24 A. (Moving head up and down.)

25 Q. The Salesur II Trust and the Fadala Trust?

1 SALIM ESTEFENN

2 A. Once we -- I mean, when the -- when
3 Stanford process started, we knew it was going to --
4 to keep working because it was the only thing that
5 the Esturicol Trust had, so --

6 Q. Okay.

7 A. -- once the process has started.

8 Q. And your parents initially deposited the
9 money into the Esturicol Trust when it was formed; is
10 that right?

11 A. Yes.

12 Q. Did you ever put any of your own money or
13 assets into the trust?

14 A. Mine? Mine directly? Put in Esturicol
15 Trust, you mean? No, mine, no. My money's in my
16 trust.

17 Q. Did Farid ever -- your brother, Farid,
18 ever put any money or assets into the Esturicol
19 Trust?

20 A. No, he had his own, too.

21 Q. Have you ever received any cash
22 distributions out of the Esturicol Trust?

23 A. Yes.

24 Q. What distributions have you received?

25 A. Well, that was a long time ago. I don't

Page 46

1

SALIM ESTEFENN

2

remember exactly amounts and dates, but I did because
my father, when he was -- I mean, he's dead. When he
was alive, too, he translated some money from his
account to mine one, just that.

6

THE REPORTER: Just what?

7

THE WITNESS: Just that.

8

A. I mean, he translate some money from
Esturicol to Salesur. That's how he did, a long time
ago.

11

Q. (BY MS. KLEBER) Do you know in
approximately what year that transfer took place?

13

A. Maybe 2006, maybe. I'm not sure, really.

14

Q. What was the amount of that transfer?

15

A. If I remember, it was

REDACTED

[REDACTED]. I don't remember exactly.

17

Q. Do you recall any other distributions you
received from the trust?

19

A. No.

20

Q. Do you know if your brother, Farid, has
received any distributions from the Esturicol Trust?

22

A. I have no idea.

23

Q. And besides the investments in Stanford,
there are no other assets held at any time in the
Esturicol Trust --

1

SALIM ESTEFENN

2

A. No.

3

Q. -- right?

4

A. Right.

5

Q. Who made the decision to invest in

6

Stanford as it relates to the Esturicol Trust?

7

A. It was my father.

8

Q. Did you have any conversations with your

9

father back in 1999 when the Esturicol Trust invested

10

in Stanford for the first time?

11

A. Yes.

12

Q. What were those conversations?

13

A. I was looking for a good investment. I

14

was just think that Esturicol by that time has about

15

65 years of experience, so we thought it must be an

16

excellent bank. That's why we made our investment in

17

Stanford. In general, it was that, and Patricia who

18

was our adviser, we had had an excellent relationship

19

with her. She also gave us an excellent reference of

20

Stanford. So that's why.

21

Q. Did your father ask your opinion as to

22

whether you should proceed with the investment in

23

Stanford for the Esturicol Trust?

24

A. Yes, yes, we talk about that, and we

25

decided to open -- I mean, my father decided to open

1 SALIM ESTEFENN

2 mother do that?

3 A. I did. She signed.

4 Q. I'm going to hand you what I have marked
5 as Exhibit 117.

6 (Exhibit 117 marked.)

7 Q. (BY MS. KLEBER) Do you recognize this
8 document?

9 A. Yes.

10 Q. And this is the packet of claim forms that
11 you submitted -- you and your mother submitted to the
12 receiver related to the Esturicol Trust, right?

13 A. Yes.

14 Q. And if you flip through this, you'll see
15 that there are actually only claims related to three
16 different accounts, because the second claim form in
17 the packet at URIBE_192 and the last claim form at
18 URIBE_200 relate to the same account, right? And you
19 can see the account number on the first page of the
20 forms.

21 A. This one?

22 MR. MORGESTERN: Yes.

23 A. Yes, I see.

24 Q. (BY MS. KLEBER) Okay. And this packet
25 that I've handed you only has claim forms for three

Page 62

1 SALIM ESTEFENN

2 form for Account No. **REDACTED**, which is the third
3 account number on this Exhibit 118?

4 A. (Moving head up and down.)

5 Q. Do you see that anywhere in your claim
6 forms?

7 A. In the -- no, here, no, I don't see.

8 Q. Okay. And I'm just trying to find out:
9 Did you submit a claim form for the **REDACTED**?

10 A. Yes.

11 Q. And do you have a copy of that claim form?

12 A. I might have in -- yes, I might have --
13 yeah, I do have a copy, because I fix it in Colombia.
14 I do have a copy.

15 Q. Have you turned that over to your counsel?

16 A. Yes, I did.

17 Q. Okay. Let's turn back to Exhibit 117,
18 your packet of claim forms. And do you recall that
19 these forms ask you to list not only the amounts that
20 were deposited in Stanford, but amounts that were
21 wired out of Stanford CDs?

22 A. Yes.

23 Q. And did you try to list all of the
24 outgoing wires from the Esturicol accounts --

25 A. Yes.

1

SALIM ESTEFENN

2

Q. -- in these forms?

3

A. Yes.

4

Q. If you flip through these forms, it appears that you have only listed outgoing wires that took place in the year 2008; is that correct?

5

A. Let me see.

6

Yes.

7

Q. But as we've discussed, there were wires that were outgoing from the Esturicol Trust before 2008 as well, right?

A. Yes, maybe I missed put -- to put it in --

8

THE REPORTER: I'm sorry?

9

A. -- because I took as a reference the last renew, maybe. Maybe that's what I did.

10

THE REPORTER: I'm sorry. Can you -- can you repeat?

11

THE WITNESS: Maybe -- I think I -- I -- I missed to put that one.

12

Q. (BY MS. KLEBER) So how did you miss the pre-2008 outgoing wires as you were filling out these forms? Why did you fail to include that?

13

A. As I told you at the beginning, I do have just 2008 statements, so that's -- maybe that's why I miss it the way that before. I didn't have the whole

Page 64

1

SALIM ESTEFENN

2

information, because the documents, as I told you,
was kept by Patricia.

4

Q. But did you have a memory that you had
received, for example, the approximately [REDACTED]
distribution from your father back in 2006?

7

A. I tried to my best.

8

Q. You -- you just didn't remember that --

9

A. Yeah --

10

Q. -- at that time?

11

A. -- by that time, certainly.

12

Q. Did the receiver approve your total
requested claim for the Esturicol Trust?

14

A. No.

15

THE VIDEOGRAPHER: Ashley, can we

16

take a break here?

17

MS. KLEBER: Sure, let's pause for
a break.

19

MR. MORGESTERN: Okay.

20

THE VIDEOGRAPHER: We're off the
record at 10:08 -- 10:09.

22

(Short recess.)

23

THE VIDEOGRAPHER: We are on the
record at 10:28.

25

MR. MORGESTERN: Ashley, before

1 SALIM ESTEFENN

2 Back before Stanford collapsed --

3 A. Okay.

4 Q. -- had you ever received any distributions
5 from the Salesur II Trust Stanford accounts?

6 A. Just one, yes.

7 Q. And what was that?

8 A. It was in December 2008 from Salesur II
9 Trust to my saving account in Banco de Miami.

10 Q. Are you aware of any other distributions
11 out of the Salesur II Trust?

12 A. No.

13 Q. And beside -- who -- who made the decision
14 to open the Salesur II Trust? Was that you alone?

15 A. Yes.

16 Q. Did you consult with your father about it?

17 A. No. I spoke with him and we open with the
18 Stanford, but it was my decision.

19 Q. And why did you make the decision to
20 invest with Stanford?

21 A. Because I saw Stanford Bank as a -- an
22 excellent bank. It was 65 years old of experience,
23 so I thought was an excellent bank. That's why.

24 Q. And did you think that it was an excellent
25 bank based on Patricia Herr's recommendation?

1 SALIM ESTEFENN

2 A. Correct.

3 Q. Did you also think it was a good
4 investment based on your father's recommendation?

5 A. Yes, it was for -- for us.

6 Q. And 2002, approximately October 2002, is
7 the first time the Salesur Trust invested in
8 Stanford; is that right?

9 A. Yes.

10 Q. Did you receive statements, copies of
11 statements, from the Salesur II Trust starting in
12 2002?

13 A. Not directly.

14 Q. Indirectly?

15 A. No. I mean, no -- no, Patricia kept those
16 documents.

17 Q. Okay. Did you have an online account
18 where you could log on and see the status?

19 A. The last year.

20 Q. Only in --

21 A. 2008-2009.

22 (Exhibit 123 marked.)

23 Q. (BY MS. KLEBER) I'm going to hand you --
24 okay. Fumbling around here. But I'm now going to
25 hand you what I've marked as Exhibit 123. I'll

1 SALIM ESTEFENN

2 A. Savings.

3 Q. And before it was in your savings account,
4 where was it? Is that funds that you would save from
5 your wages?

6 A. Yeah, it was -- I mean, it was savings
7 that I did. It was in my account. I transferred to
8 Stanford.

9 Q. Was any part of that [REDACTED] money that
10 you received from your parents?

11 A. No.

12 Q. So the entire [REDACTED] was money that you
13 had saved personally?

14 A. Yes.

15 Q. And then if you look at the same page,
16 URIBE_151, on Exhibit 123, below that, on
17 November 28th, 2008, there's an outgoing wire of
18 [REDACTED]. Do you see that?

19 A. Yes.

20 Q. Why did you request that outgoing wire?

21 A. I did it because I want to give my mom
22 some money.

23 Q. Okay. Earlier you testified that there's
24 only one outgoing wire in December of 2008 from the
25 Salesur Trust. Do you --

1

SALIM ESTEFENN

2

A. Yes.

3

Q. -- recall that?

4

A. Yeah.

5

Q. Does this reflect -- refresh your
recollection of the --

6

A. I don't remember this one, to be honest.

7

I don't remember this one.

8

Q. You didn't remember it?

9

A. This one, the --

10

Q. Okay.

11

A. **REDACTED**

12

Q. But this refreshes your
recollection that --

13

A. Yes.

14

Q. -- that took place?

15

A. Yes.

16

Q. If we turn to URIBE_155. Are you there?

17

A. Yes.

18

Q. There's an outgoing wire **REDACTED**. Do

19

you see that?

20

A. Yes.

21

Q. What was the purpose of that outgoing
wire?

22

A. Vacation. That's what I said at the

1 SALIM ESTEFENN

2 beginning.

3 Q. That was for a vacation?

4 A. Yes.

5 Q. So does that rec -- refresh your

6 recollection that there was -- there were multiple

7 outgoing wires from --

8 A. No, no, just that one. That's the only

9 one I did in November -- or December --

10 December 2008.

11 Q. Oh, this is the -- this is the outgoing
12 wire that you talked about initially. I --

13 A. Yes.

14 Q. Strike that. Okay. I see.

15 Do you believe that any funds were wired
16 out of your account before 2008, out of the
17 Salesur II Trust?

18 A. No.

19 Q. How -- are you confident of that?

20 A. No, no, no, I'm sure I didn't do it.

21 Q. You're positive?

22 A. Yes, absolutely.

23 Q. Okay. I'm going to hand you -- actually,
24 did you submit a claim to the United States receiver
25 for the Salesur II Trust?

Page 112

1 SALIM ESTEFENN

2 A. No, I mean --

3 Q. -- family?

4 A. Yeah, my father and me, but . . .

5 Q. Who is Patricia Herr?

6 A. Was my -- my adviser in -- in Stanford.

7 Q. How did you meet Ms. Herr?

8 A. She was my adviser in Banco Bogota Miami.

9 That's how I knew her.

10 Q. When did she be -- first become your

11 adviser at Banco Bogota?

12 A. When?

13 Q. Uh-huh.

14 A. When I opened my account. Like, don't

15 remember exactly the date, but it was a long time

16 ago. Maybe 1997, maybe.

17 Q. At that time was Ms. Herr also the

18 financial adviser for any other members of your

19 family?

20 A. My father.

21 Q. Did your father introduce you to Ms. Herr?

22 A. Yes.

23 Q. And at some point Ms. Herr moved from --

24 from Banco Bogota to Stanford, right?

25 A. Yes.

Page 113

1

SALIM ESTEFENN

2

Q. Do you remember when that happened?

3

A. 1999.

4

Q. And where were her offices located?

5

A. Miami, 701 Brickell Avenue; I remember.

6

They changed, but -- but at that time, it was that
address.

8

Q. And did you first meet with Ms. Herr in
1999?

10

A. I knew her before through my father.

11

Q. Had you been to her offices before?

12

A. In Banco do Miami, you mean?

13

Q. Yes.

14

A. Yes, I went.

15

Q. On how many occasions?

16

A. Many.

17

Q. Can you give me a ballpark estimate?

18

A. 15, 20. I don't know, really.

19

Q. How often would you travel to Miami back
in the 1999 through --

21

A. Twice per year, just that.

22

Q. And would you go with your father during
those visits to meet with Ms. Herr?

24

A. Yes.

25

Q. Did you go to every visit or occasional --

Page 114

1

SALIM ESTEFENN

2

A. Occasional.

3

Q. -- meetings?

4

A. No. Occasional --

5

Q. Okay.

6

A. -- yeah.

7

Q. Was Ms. Herr the financial adviser for any
other members of your family?

8

A. No. Oh, my brother, my brother.

9

Q. Farid.

10

A. Yes.

11

Q. Why is -- did you decide to hire Ms. Herr
as your financial adviser?

12

(Question translated by the

13

interpreter.)

14

A. (In English) Question. When she was in
Banco de Miami or Stanford? What do you mean?

15

Q. (BY MS. KLEBER) Did you hire Ms. Herr to
serve as your financial adviser while she was still
at Banco Bogota?

16

A. Yes.

17

Q. Okay. And why did you make that
initial --

18

A. She was --

19

Q. -- decision to hire --

1

SALIM ESTEFENN

2

A. -- the manager --

3

Q. Why did you make that initial decision to
hire Ms. Herr?

5

A. She was the manager of Banco de Miami, so
I -- I opened the account through her. She was the
only adviser over there.

8

Q. Did you choose to work with her because
your father had worked with her?

10

A. Yes. Yes, really.

11

Q. Did you do anything to investigate
Ms. Herr's credentials before you hired her?

13

A. No.

14

Q. After Ms. Herr moved over from Banco
Bogota to Stanford, why did you decide to keep her as
your financial adviser?

17

A. No, just she shows how was the portfolio
of Stanford, and she told us how was -- how was the
whole process if we were interested, and we decided
to go with her.

21

Q. And did you understand whether or not
Ms. Kerr had -- Herr had any particular credentials
to serve as a financial adviser?

24

(Question translated by the

interpreter.)

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2

Q. But you did not actually invest personally

3

in a Stanford CD until 2002 --

4

A. Yes.

5

Q. -- right?

6

A. It was through my father at the beginning.

7

8

Q. And why didn't you invest right away in a

Stanford CD?

9

10

A. I just had my saving in the Banco de Miami

for a while.

11

12

Q. What did Ms. Herr tell you about the

Stanford CD?

13

14

A. Well, it was CDs, was a company -- was a

bank that has about 65 years when we started. And

15

she told the CDs was really safety, so that's why we

16

started to -- to invest through Patricia and

17

Stanford.

18

19

Q. Did she tell you anything else about the

Stanford CD that you recall?

20

21

A. No, they give you just the rates and

everything, but not in detail.

22

23

Q. And did Ms. Herr's statements about the

safety of the CD influence your decision to purchase

24

the CD?

25

A. I think it did, yeah.

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1 SALIM ESTEFENN

2 Q. Now, Ms. Herr, at this time, she was
3 employed by Stanford, right?

4 A. By when? By when?

5 Q. By 2002 when you're --

6 A. Yes --

7 Q. -- making your first investment.

8 A. -- she was in Stanford.

9 Q. Did you discuss your decision to invest in
10 Stanford with any financial advisers that were not
11 employed by Stanford?

12 A. No.

13 Q. And did your parents' decision to invest
14 in Stanford through Ms. Herr also influence your
15 decision to invest personally?

16 A. Yes, yes, because -- yes.

17 Q. What other factors did you consider when
18 you were investing? Anything else you can recall?

19 A. No, not really.

20 Q. What written materials were you provided
21 about Stanford?

22 A. What?

23 Q. Were you provided any written materials
24 about the Stanford CDs at the time you invested?

25 A. No, I just have as a reference was she --

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2

Patricia told me, so first the magazine from Stanford, and we saw how was the whole process, how was they growing up, but not -- not -- not in detail.

5

Q. You recall flipping through one magazine about Stanford --

7

A. Yes --

8

Q. -- correct?

9

A. -- I remember I saw some magazines about Stanford, how they were growing up.

11 Q. Do you remember multiple magazines or one magazine that you looked at?

13 A. I don't remember exactly.

14 Q. Okay. Was the magazine that you're referencing, was that in sping -- Spanish --

16 A. In English.

17 Q. -- or English?

18 A. English. Just English.

19 Q. And did you review that magazine carefully?

21 A. Yes.

22 Q. You read the whole thing?

23 A. Well, in general, as you -- in general.

24 Q. Okay.

25 A. Not in detail, no.

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1 SALIM ESTEFENN

2 Q. What do you recall that the magazine said?

3 A. How was the growing up, how -- how they
4 have in --

5 (Witness speaking in Spanish to
6 the interpreter.)

7 A. (Through the interpreter) Well, they had
8 as investments in CDs, how they were growing, in
9 general terms how Stanford was growing.

10 Q. (BY MS. KLEBER) Did those materials

11 influence your decision to invest in the Stanford CDs
12 or was it mostly the recommendation of your father
13 and Ms. Herr?

14 A. (In English) I -- I think it was more of
15 Patricia Herr and my father recommendation, yeah.

16 Q. Can you -- as you sit here today, can you
17 think of any other written materials that you
18 reviewed?

19 A. No, not really.

20 Q. At the time you invested in the Stanford
21 CDs in 2002, did you have any understanding about
22 whether or not the Stanford CDs were insured?

23 (Question translated by the
24 interpreter.)

25 A. (In English) No, I didn't check it.

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2

Q. (BY MS. KLEBER) You didn't know one way
or the other?

4

(Question translated by the
interpreter.)

6

A. (In English) No, I didn't know where
it --

8

A. (Through the interpreter) Well, I didn't
know that they were insured. I knew they were CDs
with a certain rate that seemed safe and that

10

inspired safety, security.

12

Q. (BY MS. KLEBER) Back when you invested in
the Stanford CDs for the first time in 2002, did you
have an understanding about whether the Stanford CDs
provided a higher rate of return than other CDs that
were available in the market?

17

A. (In English) No, it was the --

18

(Witness speaking in Spanish to
interpreter.)

20

A. (Through the interpreter) It was the
same. They were similar rates like the competitors
in Panama.

23

Q. (BY MS. KLEBER) So you believe that the
Stan -- the rate -- the interest rates on Stanford
CDs were comparable to other CDs in the market?

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1 SALIM ESTEFENN

2 proposed class members purchased CDs through many
3 different financial advisers and brokers --

4 A. Yes.

5 Q. -- right?

6 And some of the 17,000 plus proposed
7 members speak different languages, right?

8 A. Yes, because they're around the world.

9 Q. And they invested in -- through different
10 currencies, right?

11 A. Yeah.

12 Q. And just to clarify, you didn't have any
13 investments with Stanford through brokerage accounts
14 that held equities or mutual funds, anything like
15 that, right?

16 A. No.

17 Q. Did any members of your family have those
18 types of brokerage account investments through
19 Stanford?

20 A. No.

21 Q. Do you know how many of the other 17,000
22 plus proposed class members had brokerage accounts
23 through Stanford in addition to CDs?

24 A. No.

25 Q. Do you know if Stanford provided any

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1

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2

different disclosures or information to people who

3

had brokerage accounts with Stanford in addition to

4

CDs?

5

A. No, I don't know, really.

6

Q. Do you know if Stanford provided any

7

different disclosures or information to people who

8

owned CDs through trusts like you versus people who

9

just owned CDs directly?

10

(Question translated by the

11

interpreter.)

12

A. (In English) No, not -- not really. I

13

don't know.

14

Q. (BY MS. KLEBER) Do you know what

15

documents other Stanford CD purchasers received and

16

reviewed related to their CDs?

17

A. No.

18

Q. Do you know if -- so you don't know if

19

these materials were different than the materials

20

that you were given --

21

A. No.

22

Q. -- right?

23

And those CD purchasers could be relying

24

on a different mix of materials than you relied on,

25

right?

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2

(Question translated by the
interpreter.)

4

A. (In English) Yeah, it was their -- their
decision, their materials. They -- I mean, it was
the other investors' decision.

7

Q. (BY MS. KLEBER) It was -- are you saying
that it was the other investors' decision and you
don't know what materials they relied on?

10

A. I -- I -- I think they -- they received
more or less the same material I did.

12

Q. What is your basis for that statement?

13

(Question translated by the
interpreter.)

15

A. (In English) For the advisers. I mean,
I -- I think they provide the -- the investors
material, like, say, annual report, annual report or
things like that to show how was Stanford growing up.
So . . .

20

Q. (BY MS. KLEBER) Do you know if any of the
financial advisers had materials that were different
depending on the region they worked in, the country,
et cetera?

24

A. I don't know.

25

Q. You don't know one way or the other,

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1 SALIM ESTEFENN

2 right?

3 A. No, I don't know if other had that

4 information.

5 Q. Have you ever visited any Stanford offices
6 besides the Miami office --

7 A. No.

8 Q. -- of Patricia Herr?

9 A. No.

10 Q. Have you ever attended any events hosted
11 by Stanford?

12 A. No.

13 Q. Before Stanford entered receivership in
14 2009, did you ever have any communications with
15 anyone in the state of Texas about Stanford?

16 A. No.

17 Q. And your Stanford financial adviser,
18 Ms. Herr, operated out of Miami, right?

19 A. Yes.

20 Q. Did she have any other offices?

21 A. No.

22 Q. When you purchased your CDs, you resided
23 in Colombia, right?

24 A. I resided in Colombia.

25 Q. Did you ever travel to Texas in the course

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1 SALIM ESTEFENN

2 A. (In English) -- deposit. Someone make
3 the deposit in bank and that's all.

4 Q. (BY MS. KLEBER) But you received
5 something in the mail, a letter from the receiver?

6 A. Letter.

7 Q. And -- but you did not keep that letter,
8 right?

9 A. No. Yes.

10 Q. Have you received any distributions from
11 the joint liquidator in Antigua?

12 A. No.

13 Q. Have you ever received any correspondence
14 from the joint liquidator in Antigua claiming that
15 you received a preference payment from Stanford in
16 the last few months before Stanford collapsed?

17 (Question translated by the
18 interpreter.)

19 A. (In English) No.

20 Q. (BY MS. KLEBER) Do you know if any of the
21 other proposed class members received so-called
22 preference payments in the last six months before
23 Stanford closed?

24 A. I know Esturicoli, my mother -- my mother,
25 she got it.

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1

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2

Q. So your mother received a letter regarding
a preference payment from the joint liquidator in
Antigua?

5

A. Yes.

6

Q. And did that letter request that your
mother repay some amount to the liquidator?

8

(Question translated by the

9

interpreter.)

10

A. We did not request. I mean --

11

(Witness speaking to the

12

interpreter in Spanish.)

13

A. (Through the interpreter) My mother
didn't answer that letter.

15

Q. (BY MS. KLEBER) But did the letter ask
your mother to pay some funds back to the joint
receiver?

18

A. (In English) That's what the letter said.

19

Q. And your mother did not answer that
letter?

21

A. Did not, correct.

22

Q. Does your mother, for the Esturicoll Trust,
have any intention of repaying that amount of the
preference payment to the joint liquidator?

25

A. To do it, you mean?

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1

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2

Q. Does she plan to do that? Does she plan
to repay the money?

4

A. To --

5

MR. MORGESTERN: Objection.

6

Q. (BY MS. KLEBER) Okay.

7

A. No. I mean --

8

Q. Let's -- let's strike -- let me start over
and I'll ask the question so we have a cleaner
record.

11

(Ms. Emily Vonqualen joins the
proceedings.)

13

Q. (BY MS. KLEBER) Have you and your mother
discussed the request from the joint liquidator in
Antigua to repay some amount from the Esturicoll
Trust?

17

A. Yes, I have discussed with my mother.

18

Q. And what did your mother say?

19

A. That if she -- I mean, giving that money
back, it means you're going to get 1 percent of what
you're going to receive maybe, because you never
know. So it means you got --

REDACTED

[REDACTED]
[REDACTED], so it doesn't sound logic.

25

Q. And so --

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1 SALIM ESTEFENN

2 A. Does not sound logic.

3 Q. And so she does not intend to repay any
4 funds to the joint liquidator, correct?

5 A. Correct.

6 Q. Do you file tax returns in Colombia?

7 A. Sorry?

8 Q. Do you file tax returns in Colombia?

9 (Question translated by the
10 interpreter.)

11 A. (In English) Yes, I do.

12 Q. (BY MS. KLEBER) And did you ever file any
13 tax returns for the trusts --

14 A. No.

15 Q. -- the Esturicol Trust or the Salesur II
16 Trust?

17 A. No.

18 Q. You've only filed tax returns individually
19 in Colombia --

20 A. Yes.

21 Q. -- correct?

22 A. With my name, Salim Estefenn, yeah.

23 Q. Under the tax laws of Colombia, are you
24 required to report interest that you earn on
25 investments?

1 SALIM ESTEFENN

2 They have the money. I mean, that's what I mean.

3 Q. Before getting involved in this lawsuit,
4 had you ever heard of Trustmark National Bank?

5 A. No, I haven't.

6 Q. Had you ever had any communications with
7 anyone employed by Trustmark National Bank?

8 A. Never.

9 Q. Have you ever had any accounts at
10 Trustmark?

11 A. Never.

12 Q. Do you know what the relationship between
13 Trustmark and -- and the Stanford entities was?

14 A. No. They have an account, but just that.

15 Q. Before this lawsuit -- before getting
16 involved in this lawsuit, did you know that Trustmark
17 provided banking services for Stanford?

18 A. I didn't know at the beginning.

19 Q. When did you first learn that Trustmark
20 provided banking services for Stanford?

21 A. With the process that started in 2009,
22 they had that account, they had an account over
23 there.

24 Q. And back in 2009, how did you learn
25 that --

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1

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2

A. I didn't know.

3

Q. -- Trustmark had --

4

A. Before 2009?

5

Q. Let me finish my question.

6

A. Sorry.

7

Q. Back in -- in -- in 2009, how did you

8

learn that Trustmark provided banking services to

9

Stanford?

10

A. No, before 2009, I didn't know, really.

11

Q. Right. After 2009, how did you learn --

12

A. Just --

13

Q. -- that Trustmark provided banking

14

services to Stanford?

15

A. No, just I -- I -- that is the whole

16

process, that Stanford had an account.

17

Q. Right now my question, I think, is a

18

little different. I'm asking how -- how you learned

19

that Trustmark provided banking services to Stanford.

20

A. Ah, it's in the investigation process, but

21

the investigation process has been done by our

22

lawyers --

23

Q. Okay.

24

A. -- really, not from me.

25

Q. What specific banking services did

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1 SALIM ESTEFENN

2 there?

3 A. Because when I -- this process started in
4 2009, and I've been talking with Peter since that
5 time. This is when I just started in May this year.
6 So I keep in contact with him all time.

7 Q. Now, had -- did you retain Fishman Haygood
8 to represent you individually or to represent the
9 Salesur II Trust or the Esturicol Trust?

10 A. Yeah, I think it's Esturicol. And even if
11 I said something that's different, I'm from Salesur
12 and Esturicol.

13 Q. If we look at URIBE_003, the first page of
14 this document.

15 A. It says my name.

16 Q. It -- it says you; it does not reference
17 the two trusts, correct?

18 A. Correct.

19 Q. Since you became involved as a class
20 representative in the case, how much time have you
21 spent working on the case?

22 A. Not too much. It's their work, it's not
23 mine one.

24 Q. And how many hours, would you say?

25 A. Since -- maybe four or five hours.

1 SALIM ESTEFENN

2 Q. And since you became involved in the case,
3 how often have you communicated with your attorneys?

4 A. As I said at beginning, once a month with
5 Peter Morgenstern.

6 Q. Have you met any of the other named class
7 representatives?

8 A. No.

9 Q. Have you ever reviewed the first amended
10 complaint that was filed in this action?

11 A. In gen -- general, yeah -- no. Within
12 detail, no.

13 Q. When did you first look at that document?

14 A. When they told me I would be a class
15 representative.

16 THE REPORTER: I'm sorry? You
17 would be a class representative.

18 Q. (BY MS. KLEBER) Do you remember what
19 month that was?

20 A. As I told you, May, about May.

21 Q. And you said you did not review it in
22 detail. Did you just sort of skim it or what -- what
23 did you do?

24 A. No, I just check it in general, but just
25 in general.

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1 SALIM ESTEFENN

2 Q. Do you mean you only reviewed certain
3 pages or you just sort of looked through quickly or
4 what -- what do you mean?

5 A. Quickly if you want, yeah.

6 Q. Have you reviewed the complaint that was
7 filed by the Official Stanford Investment --
8 Investors Committee in this case?

9 A. Yes. But quickly, too, you know, only
10 tab.

11 Q. What is the Official Stanford Investors
12 Committee?

13 A. What is -- sorry?

14 Q. The Official Stanford Investors Committee.

15 A. It's a committee. It's a commit --

16 (Witness speaking to the
17 interpreter in Spanish.)

18 THE INTERPRETER: It's a
19 committee.

20 A. (In English) It's a committee in where
21 there are some people who are interested in the
22 process. One of them is Peter Morgenstern. He is
23 part of the committee.

24 Q. (BY MS. KLEBER) Do you know how many
25 complaints the committee has filed in this -- this

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1 SALIM ESTEFENN

2 case?

3 A. Not really.

4 Q. Well, how many have you reviewed?

5 A. I think it's just one.

6 Q. Just one. Have you reviewed the motion to
7 substitute class representatives that was filed in
8 this case?

9 A. Quickly, but yes.

10 Q. Do you know if you reviewed that document
11 before it was filed?

12 A. No.

13 Q. You don't know one way or the other or
14 you -- you did not?

15 A. No, I did not.

16 Q. You reviewed it after it was filed?

17 A. Yes.

18 Q. Have you reviewed the class's second
19 amended complaint filed in this case?

20 A. No.

21 Q. Have you reviewed the motion to certify

22 the class that was filed in this case?

23 A. Which one?

24 Q. Motion to certify a class.

25 A. No.

1 SALIM ESTEFENN

2 Q. And so you also haven't reviewed any of

3 the materials in the appendix to that motion other

4 than perhaps your declaration?

5 A. In general. I mean, to see specifically,

6 no. Just in general I have known that some documents

7 have -- have had --

8 (Witness speaking to the

9 interpreter in Spanish.)

10 THE INTERPRETER: Have been filed.

11 A. (In English) Have been filed, but not

12 check specifically each one.

13 Q. (BY MS. KLEBER) Have you ever been

14 instructed to save all of your documents related to

15 Stanford?

16 (Question translated by the

17 interpreter.)

18 A. (In English) No.

19 Q. (BY MS. KLEBER) Will you tell me what you

20 did to search for documents that might be relevant to

21 this case?

22 (Question translated by the

23 interpreter.)

24 A. (In English) Just as I said at beginning,

25 I start to get the documents, like statements, since

1 SALIM ESTEFENN

2 A. -- report.

3 Q. Right. And in terms of these banks right
4 here, what evidence do you have that we knew that
5 this money was being misguided?

6 (Question translated by the
7 interpreter.)

8 A. (Through the interpreter) I believe that
9 the banks knew the process, I mean, the money
10 movement where they were going to and from, and they
11 should have reported these operations.

12 Q. (BY MR. REPASS) Do you have any firsthand
13 knowledge of that?

14 (Question translated by the
15 interpreter.)

16 A. (In English) No.

17 Q. (BY MR. REPASS) I represent the Bank of
18 Houston. Have you ever been to the Bank of Houston?

19 A. No.

20 Q. Now, Patricia and your dad recommended
21 that you get into the Stanford CDs. Did anyone at
22 the Bank of Houston recommend that you get into the
23 Stanford CDs?

24 A. No.

25 Q. You bought your CDs through the Miami

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1 SALIM ESTEFENN

2 Q. -- true?

3 A. She told us, yes.

4 Q. Yes.

5 Bank of Houston made no representations to
6 you, did they?

7 A. No.

8 Q. None of these banks made any
9 representations to you, did they?

10 A. No.

11 Q. You never even talked with anyone at the
12 Bank of Houston about these CDs?

13 A. No.

14 Q. And nothing that my client said to you or
15 did to you encouraged you to purchase those CDs,
16 right?

17 A. Yeah.

18 Q. Now, look at Exhibit 128, and then we're
19 about done. Can you get that one in front of you,
20 sir. Do you -- do you have it, sir?

21 A. Yeah, I have it right here.

22 Q. Now, you testified earlier that you made
23 some mistakes on Exhibit 128, true?

24 A. I made a mistake in Exhibit 127. No,
25 128 --

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1 SALIM ESTEFENN

2 A. Yes.

3 Q. As we currently sit here, Salesur II does
4 not exist?

5 A. No.

6 Q. Mr. Estefenn, who is Samia Estefenn Uribe?

7 A. My sister.

8 Q. Does your sister have accounts with
9 Stanford?

10 A. No.

11 Q. Are you sure of that?

12 A. Yes.

13 Q. Mr. Estefenn, who is -- what is Rex
14 Designs, SA?

15 A. It was -- Rex was a trust or something

16 that we -- that my mother sold some dollars and we

17 transferred from StraightCo (phonetically spelled)

18 and they give them to my mom in Colombian pesos --

19 the same amount in Colombian pesos.

20 MS. NEUNER: Can you read back

21 that answer, please, particularly the beginning.

22 (Requested material was read.)

23 Q. (BY MS. NEUNER) Mr. Salesur, that doesn't
24 make sense to the average person reading it, so we
25 need to redo it.

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2

MR. MORGESTERN: Mr. Estefenn.

3

Q. (BY MS. NEUNER) Sorry, Mr. Estefenn.

4

Let me try again. What is Rex Designs,

5

SA?

6

A. What is? It's -- it's like a trust that

7

a -- a friend of my mom -- my mom and my -- a friend

8

of the family has, an account.

9

Q. And does your family have any ownership

10

interest in this Rex Designs, SA, account?

11

A. No.

12

Q. So it is an account and a trust that

13

belongs to a family friend?

14

A. Yes.

15

Q. And where is it located?

16

A. No idea. I don't know.

17

Q. And what are the relations between your

18

family and the family that owns the Rex Designs, SA?

19

A. Friends, just that.

20

Q. Is your family in the habit of giving tens

21

of thousands of dollars to Rex Designs, SA?

22

A. No, it's just a small -- a small transfer.

23

Just one, I think.

24

Q. What is -- describe that small transfer --

25

A. It's --

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1

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2

Q. -- you just referred to.

3

A. I do not remember exactly the value, the amount, but we transferred in dollars some money to them, and they give us in Colombian pesos, just was that operation.

4

Q. When did that take place?

5

A. Don't remember. I --

6

Q. Roughly.

7

A. No, I don't remember, really. I had that letter, but I do not remember exactly the date.

8

THE REPORTER: I had what?

9

THE WITNESS: I -- the letter is there, but I do not remember the date exactly.

10

Q. (BY MS. NEUNER) When you say "a small transfer," do you mean [REDACTED] ?

11

A. Maybe that amount, yeah.

12

Q. Do you recall -- and we'll look at the account statements -- [REDACTED] out of the Salesur II Trust in November 2008?

13

A. Yes, I remember that.

14

Q. And what did you use that money for?

15

A. Just to give to my mom some money that I wanted to give her, just that.

16

Q. So how did you physically take it out?

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1

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2

Did you have it transferred to yourself?

3

A. I sent a letter to Stanford fiduciary, and

4

they -- who I gave that money to -- don't -- don't

5

remember, really. But I just gave [REDACTED], and they

6

give me that money in pesos. It was the same one

7

as -- as Rex. And I give that money to my mom.

8

That's what I wanted to do.

9

Q. I need to go back over that answer.

10

There's US dollars sitting in your Salesur II trust

11

account with Stanford, correct?

12

A. Yes.

13

Q. You give an instruction for [REDACTED] to be taken out of your Salesur II account, correct?

14

A. Yes.

15

Q. Where do you order that money to be transferred to?

16

A. Whom -- I don't remember exactly whom got it from the Salesur II Trust. There is a letter, the instructions, but I do not remember who I sold those dollars.

17

Q. Do you recall ordering the transfer of the [REDACTED] to be sent from your Salesur II trust account to Rex Designs, SA?

18

A. Rex Designs, yeah, maybe sold to them

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1 SALIM ESTEFENN

2 to -- to -- to -- from Salesur II Trust.

3 Q. And when you say "sold to them," why --

4 what do you mean you sold to them?

5 A. I mean -- I'm going to give an example.

6 REDACTED

7 (Witness speaking to the

8 interpreter in Spanish.)

9 A. (In English) To [REDACTED] pesos per dollar,
10 they gave me 30 million pesos in Colombia. That's
11 how he did -- I did.

12 A. (Through the interpreter) To give you an
13 example, [REDACTED] they deliver
14 me --

15 A. (In English) [REDACTED]

16 A. (Through the interpreter) -- [REDACTED]
[REDACTED]

18 A. (In English) In Colombia. It's the same
19 amount, but in different money. Different --
20 different --

21 (Witness speaking to the
22 interpreter in Spanish.)

23 THE INTERPRETER: Currency.

24 A. (In English) Different currency.

25 Q. (BY MS. NEUNER) Mr. Estefenn, are you

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1

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2

testifying that you would remove US dollars from your
Salesur II Trust with Stanford and have it wired to
the Rex Designs, SA, entity and then Rex Designs, SA,
would translate the US dollars into Colombian pesos
and then send you the Colombian pesos equivalent?

7

(Question translated by the
interpreter.)

9

A. (In English) Yes, they give me in
Colombia that money, that amount.

11 Q. (BY MS. NEUNER) What is the family that
owns the Rex Designs, SA, that you're friends with?

13 A. If I remember, it's **REDACTED** who was
a friend of my father.

15 Q. Can you spell that, please, for Rene.

16 A. **REDACTED** -- it's -- sorry.

17 THE WITNESS: It's not Rene.

18 **REDACTED** -- shall I write it?

19 MR. MORGESTERN: If you want.

20 MS. NEUNER: Madam Court Reporter,
21 do you have the correct spelling of that?

22 THE REPORTER: Yes. Well, I
23 assume it is.

24 Q. (BY MS. NEUNER) Did the Rex Designs
25 entity take a commission for exchanging the US

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2 dollars into Colombian pesos?

3 A. No.

4 Q. Did your mother with the Esturicol Trust

5 also use Rex Designs, SA, as her exchange entity to

6 turn US dollars into Colombian pesos?

7 (Question translated by the

8 interpreter.)

9 MR. MORGENSTERN: Objection to the

10 form.

11 You can answer.

12 A. I think she did it once, but I don't

13 remember amount. I think she did it once.

14 Q. (BY MS. NEUNER) Do you believe your

15 mother sent REDACTED in late September 2008 from the

16 Esturicol trust account with Stanford to Rex Designs?

17 A. Yeah, I think she did, yeah.

18 Q. And two months later, you sent REDACTED

19 from your Salesur II Trust to Rex Designs --

20 A. Yes.

21 Q. -- correct?

22 Why was your family collectively taking

23 REDACTED out of the Stanford accounts in September and

24 November of 2008?

25 A. In -- in Salesur case, Salesur II case,

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1

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2

was because I want to give my mother some money, just

3

that. And in September, which was Esturicol, was

4

because my mother needed some money for her in

5

Bogota.

6

Q. For her --

7

THE REPORTER: Needed some what?

8

A. For her in Bogota, Colombia.

9

Q. (BY MS. NEUNER) Now, the Salesur II Trust

10

was your personal trust account, correct?

11

A. Yes.

12

Q. And I believe you testified earlier that

13

the principal amounts you deposited were from the

14

wages that you earned when you worked at Prolibros

15

and Thema?

16

A. Thema.

17

Q. Is that correct?

18

A. Yes, yes.

19

Q. Now, Mr. Estefenn, isn't it true that in

20

November of 2008, you received an REDACTED wire into

21

your Salesur II account from your mother's Esturicol

22

account?

23

A. It was my saving account.

24

Q. Excuse me?

25

A. That -- REDACTED -- were deposit

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1

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2 in my account, in Salesur II -- second trust, yeah.

3 Q. Sir, I'm going to ask it again so we have

4 a clean record. Mr. Estefenn, is it true that in

5 November 2008, your Salesur II account with Stanford

6 received an **REDACTED** in from your mother's

7 Esturicol trust account with Stanford?

8 A. Yes, part of -- part of that was my

9 mother, part of that was my savings.

10 Q. What do you mean by that?

11 A. Yes, there was -- was money that I had in

12 Bogota that I gave to my mother. Part of it was my

13 saving that I gave her, and she gave me that money in

14 the United States in my account.

15 So it means, like, I bought to her some

16 dollars and they put -- they translate from Esturicol

17 to my account, just that. Part of that was my

18 saving, part of that she gave me.

19 Q. How much of the **REDACTED** that your mother's

20 trust transferred to you was your own wage earnings?

21 A. I think about 50 percent, 40.

22 Q. **REDACTED**

23 A. **REDACTED**

24 Q. **REDACTED** was essentially a

25 gift from your mother to you?

1

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2

A. My mother gave me.

3

Q. Okay. Now, when you received that

4

transfer of REDACTED in November of 2008, you

5

proceeded to take out REDACTED and send it back to Rex

6

Designs in Colombia --

7

A. Yes.

8

Q. -- correct?

9

Why did you do that?

10

A. Because I wanted to give my mother some

11

money.

12

Q. So you gave your mother money, she gave

13

you back money, and then you took out the money to

14

give back to your mother?

15

A. Yes.

16

Q. That doesn't make sense to me. Can you

17

help me understand it better?

18

A. Yes, I just wanted to give my mother some

19

money as a -- as a present, if you want to say. I

20

mean, I just wanted to give her some money.

21

Q. She gave you REDACTED as a present and you

22

gave her back REDACTED as a present?

23

A. She gave to my -- my brother, my sister,

24

and me. I don't know what they -- my brother's -- my

25

brother and sister did. I just wanted to give to my

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1

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2 mother some present as a money. I know she was
3 needing, so that's what I did. I think it's not a
4 mistake.

5 Q. She was needing money, so she gave you
6 REDACTED as a present?

7 A. Yes, she gave me and I give her back,
8 because I wanted. I mean, I -- I feel like I -- I'm
9 a good son. That's how I feel. So I want to give
10 her some money back because she was needing.

11 Q. You took out of the REDACTED
12 to go on a vacation, correct?

13 A. How many, REDACTED

14 Q. Yes, sir.

15 A. Yes, more or less, yes.

16 Q. What was the vacation to?

17 A. It was to New York and the -- yes, it was
18 to New York.

19 Q. Do you have any children, Mr. Estefenn?

20 A. Yes.

21 Q. How -- how many children and what are
22 their ages?

23 A. At that time?

24 Q. Yes.

25 A. In 2008, I just had one, the older,

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1 SALIM ESTEFENN

2 Q. -- correct?

3 A. Yes.

4 Q. And that is an account that you own,
5 correct?

6 A. Yes.

7 Q. And the re -- transfer request is in the
8 amount of **REDACTED** US dollars, right?

9 A. Yes.

10 Q. And this is what you believe to be the
11 entirety of the Esturicol Trust amounts with
12 Stanford --

13 A. Yes.

14 Q. -- at the time?

15 A. Yes.

16 Q. So is it fair to say your purpose in
17 drafting this letter was to obtain a transfer of the
18 entire Esturicol Trust proceeds out of Stanford into
19 your personal account in Miami?

20 A. Yes.

21 Q. What was the response on this letter?

22 A. They never gave us a response.

23 Q. Did you create a similar letter for the
24 Salesur II?

25 A. Yes.

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2 topics and some documents, but not really what I
3 have -- I knew what I have to do.

4 Q. And in preparing for today's deposition,
5 you did, in fact, review your files on the Stanford
6 accounts?

7 A. Sorry?

8 (Question translated by the
9 interpreter.)

10 A. (In English) Yes, I did and what I had,
11 what I have, I mean, documents I have.

12 Q. (BY MS. NEUNER) Did you have any other
13 meetings with Ben prior to today's deposition?

14 A. Yesterday for a while just for dinner.

15 Q. How long, roughly, did your dinner meeting
16 last?

17 A. One hour, one hour and a half.

18 Q. And during that dinner was when you signed
19 the new declaration, correct?

20 A. After -- after dinner, after that.

21 Q. Mr. Estefenn, what do you know about my
22 client, the Toronto-Dominion Bank?

23 A. Why?

24 Q. What do you know about my client, the
25 Toronto-Dominion Bank?

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1

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2

A. Not too much. They have made the investigation. I just . . .

4

Q. Do you personally have any connection to the Toronto-Dominion Bank?

6

A. No.

7

Q. Have you received any communications from the Toronto-Dominion Bank?

9

A. No.

10

Q. Do you have any knowledge of how the Toronto-Dominion Bank is connected to the Stanford financial entities?

13

A. No, not really.

14

Q. There was nothing that the Toronto-Dominion Bank did to induce you to make your Stanford investments, right?

17

A. No.

18

Q. I'll have no more questions, then. Thank you.

20

MR. MORGENSTERN: Okay.

21

Q. (BY MS. NEUNER) Thank you very much, Mr. Estefenn.

23

A. You're welcome.

24

MS. NEUNER: Who else?

25

THE VIDEOGRAPHER: We're coming up

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1 SALIM ESTEFENN

2 on an hour. Should we just take a quick break?

3 MR. BRINKMAN: That's fine.

4 THE VIDEOGRAPHER: We're off the
5 record at 15:10.

6 (Short recess.)

7 THE VIDEOGRAPHER: We're on the
8 record at 15:21.

9 EXAMINATION

10 BY MR. BRINKMAN:

11 Q. Good afternoon, Mr. Estefenn. My name is
12 Taylor Brinkman. I represent HSBC Bank PLC.

13 A. Okay.

14 Q. And you understand that HSBC is one of the
15 defendants in this case?

16 A. Yes.

17 Q. What do you know about HSBC's involvement
18 with Stanford?

19 A. No, I don't know too much. Yeah, I don't
20 know. I mean, I know HSBC's a bank. England bank, I
21 think. But no -- in detail, no. As I said, it's
22 their investigation, not my responsibility.

23 Q. So you have no understanding of how HSBC
24 participated in the Alan Stanford fraud, correct?

25 A. I know Stanford has an account there, but

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2 interpreter.)

3 MR. MORGESTERN: Objection to
4 form.

5 A. (In English) Yes, in theory, yes.

6 Q. (BY MR. BRINKMAN) So why aren't you
7 seeking that amount in this lawsuit?

8 (Question translated by the
9 interpreter.)

10 A. (In English) No, I -- but the interest,
11 yes, I did, I did. If you see the forms that I sent
12 to Gilardi, it includes the interest. It does. They
13 did not recognize that amount, but at least I did my
14 claim for the -- for the total.

15 Q. (BY MR. BRINKMAN) But I'm asking about

16 what you're trying to get in this lawsuit from my
17 client and the other banks. Are you trying to
18 recover the interest that you earned on your Stanford
19 CDs?

20 A. If I can get it, yes, if I can get it. I
21 mean, I know they recognize me different amount, but
22 in my claim, I did -- we include the interest, yes.

23 Q. (BY MR. BRINKMAN) What about the other
24 class members? Should they get the interest that
25 they earned on their Stanford investments?

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1 SALIM ESTEFENN

2 A. I have no idea. It's their
3 responsibility.

4 Q. Do you think it's a -- you say it's their
5 responsibility. What do you mean by that?

6 A. I give them some advice, some suggestions
7 what they have to do, but it's -- it's not my
8 savings. It's they savings, so that's what they have
9 to do. I represent here as a class member -- as a
10 class representative because our similar cases.

11 (Witness speaking to the
12 interpreter in Spanish.)

13 A. (Through the interpreter) Different
14 scenarios, but they are similar cases.

15 A. (In English) Similar cases. So that's
16 why I'm representing, but it is their responsibility,
17 which is not the same.

18 Q. (BY MR. BRINKMAN) You're saying it's the
19 other class members' responsibility to do what?

20 A. Their claims.

21 Q. To do what with their claims?

22 A. I mean, I -- when I fill out a claim, it's
23 my responsibility over my investment. But it's not
24 my responsibility over their -- their investment.
25 I'm not investor of their money. That's what I mean.

1 SALIM ESTEFENN

2 to -- with the Security Generale, too, so . . .

3 THE REPORTER: The what?

4 A. With --

5 Q. (BY MS. REED) Who?

6 A. -- with the bank.

7 Q. Which bank?

8 A. Security Generale.

9 Q. Security Generale?

10 A. (Moving head up and down.)

11 Q. Have you ever heard of the bank Société
12 Générale?

13 A. The whole investigation about that bank
14 has -- has been done by lawyers.

15 Q. So before you became involved in this
16 lawsuit, you had never heard of Société Générale?

17 A. No.

18 Q. Do you know the difference between Société
19 Générale and Société Générale Private Banking
20 (Suisse)?

21 A. Not really.

22 Q. Did you know that they're entirely
23 different?

24 A. Sorry?

25 Q. Did you know that they are entirely

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1 SALIM ESTEFENN

2 Q. -- is headquartered in Switzerland?

3 A. It's in Switzerland.

4 Q. So what's the difference between the two
5 entities?

6 A. I don't know, really. I don't know,
7 really.

8 Q. And in saying that you believe some of
9 your money was somehow deposited at Société Générale
10 Private Banking (Suisse), your entire basis for that
11 statement is that your lawyers have told you that?

12 A. Yes.

13 Q. You have no independent basis for that
14 statement?

15 (Question translated by the
16 interpreter.)

17 A. (In English) No, not really.

18 Q. (BY MS. REED) Do you know what a
19 correspondent bank is?

20 (Question translated by the
21 interpreter.)

22 A. (In English) Yes.

23 May I ask: Could you speak a little bit
24 slowly --

25 Q. (BY MS. REED) I will --

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2 A. No.

3 Q. Did you ever have a bank account at
4 Société Générale Private Banking (Suisse)?

5 A. Never.

6 Q. Do you own any CDs currently?

7 (Question translated by the
8 interpreter.)

9 A. (In English) No, those . . .

10 Q. (BY MS. REED) I'd like you to take a look
11 at your declarations, the two versions, Exhibit 127
12 and 128.

13 Exhibit 127 indicates that it was signed
14 on the 29th of April 2015; is that right?

15 A. Yes.

16 Q. That's on the second page.

17 Is that correct? Is that the date that it
18 was signed?

19 A. Yes.

20 Q. Okay. And today is July 2nd, right?

21 A. Yes.

22 Q. So this was just a few months ago that you
23 signed this?

24 A. Yes.

25 Q. Is this -- is this document, Exhibit 127,

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1

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2

the first document you've been asked to sign in this
litigation?

4

A. Yes, because -- yes.

5

Q. Did you understand it to be an important
document?

7

A. Yes.

8

Q. Did you understand it to be important that
it be correct?

10

A. Yes.

11

Q. Did you read the last paragraph before
your signature stating that this was made under
penalty of perjury?

14

A. Yes.

15

Q. Do you know what perjury is?

16

A. Yes, I would say like --

17

(Witness speaking to the

18

interpreter in Spanish.)

19

THE INTERPRETER: Like a penalty.

20

A. (In English) Like a penalty, yeah.

21

Q. (BY MR. BRINKMAN) But what is perjury?

22

(Question translated by the

23

interpreter.)

24

A. (In English) It's like I have to say the
truth, yeah. I have to say truth. Perjury is that

1

SALIM ESTEFENN

2 meaning.

3 (Witness speaking to the
4 interpreter in Spanish.)

5 A. (Through the interpreter) I am unable to
6 tell lies.

7 Q. (BY MS. REED) Right. And you said under
8 penalty of perjury that everything in this document,
9 which is only one page long, really, was true and
10 correct, correct?

11 A. Yes.

12 Q. Okay. So the first -- there are only six
13 paragraphs in this document, right?

14 A. (Moving head up and down.)

15 Q. Right?

16 A. Yes.

17 Q. I need you to answer out loud just so the
18 court reporter can get that.

19 And the first one says that you are at
20 least 21 years old and competent to make the
21 declaration, right?

22 A. Yes.

23 Q. That statement was true and correct when
24 you made it, right?

25 A. Yes.

1

SALIM ESTEFENN

2

Q. And so you repeated it exactly in your
second declaration, Exhibit 128?

4

A. Almost the same, yeah, I made a mistake,
just like I knew I had made a --

6

Q. I need you -- I know you -- you'd like to
explain. I need you to just answer the question I've
asked, and I'll -- if I need an explanation from you,
I'll ask you for an explanation --

10

A. Okay.

11

Q. -- okay?

12

So Paragraph 1 at least you were happy
with because you repeated it in your second
declaration, right?

15

A. Yes.

16

Q. So that was a correct statement?

17

A. Yes.

18

Q. Okay. And it was true?

19

A. Yes.

20

Q. Paragraph 2, you corrected the spelling of
Colombia, right?

22

A. Yes.

23

Q. Did you catch that misspelling or did
someone else catch it?

25

A. Someone else. I didn't.

1

SALIM ESTEFENN

2

Q. Someone else caught it?

3

A. Yeah.

4

Q. Okay. When Exhibit 127 first came to you,
was it in this form or did you make changes to it
before you signed it in April?

7

(Question translated by the

8

interpreter.)

9

A. (In English) I -- I just put information
here in the Point 3. That's the change I did,

basically.

12

Q. (BY MS. REED) So when Exhibit 127 came to
you, the items that are behind letters (a), (b), (c),
(D) in Paragraph 3 were blank and you filled in the
dates that we --

16

A. I filled in --

17

Q. -- see here.

18

A. -- yes.

19

Q. What did you use to fill in those dates?

20

A. The statement that I had.

21

Q. Which statement?

22

A. It's -- Vantis send me, just on that --
one you had minutes ago, one statement. This one
that Vantis sent us.

25

Q. Is it an exhibit we've used today?

1

SALIM ESTEFENN

2

MR. MORGESTERN: 118.

3

Q. (BY MS. REED) Exhibit 118?

4

A. 118. Just -- yes, 118.

5

Q. Is this the only -- Exhibit 118, is this
the only document that you looked at to fill in the
blank spaces in Exhibit 127 --

6

A. Yes.

7

Q. -- when you were given --

8

A. Yes.

9

Q. I have to ask you to wait --

10

MR. MORGESTERN: Let her finish
her question --

11

Q. (BY MS. REED) -- or we get --

12

MR. MORGESTERN: -- before you
answer.

13

Q. (BY MS. REED) -- our court reporter gets
tangled up and your "yes" will be in the middle of my
question, okay?

14

A. Okay.

15

Q. Okay. So is Exhibit 118 the only document
that you used to complete Exhibit 127?

16

A. Point 3, yes.

17

Q. You did not look at any of, for example,
the claims you'd actually made to the receiver in

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1

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2 completing Exhibit 127?

3 A. Basically I used 118 because the claims

4 has at the same time the same information that 118 --

5 Exhibit 118 has.

6 Q. Okay. I'm -- I'm -- what I'm trying to

7 clarify is that in -- in completing and signing

8 Exhibit 127, is Exhibit 118 the only document you

9 looked at?

10 A. Yes.

11 Q. You did not look at your claim that you'd

12 submitted with the receiver?

13 A. For this declaration, yes --

14 Q. Yes.

15 A. -- the only one.

16 Q. That's the only one.

17 Okay. So we've established that other

18 than the misspelling of Colombia, which someone else

19 caught, Paragraph 2 in Exhibit 127 was correct when

20 it was made and is repeated in Exhibit 128; is that

21 right?

22 A. Yes.

23 Q. Okay. Paragraph 3, the first statement

24 is, "I am the trustee for Esturicol Trust," correct?

25 A. Yes.

1

SALIM ESTEFENN

2

Q. And this is Exhibit 127. And we've

3

established that was a false statement when you made

4

it --

5

A. Yes.

6

Q. -- right? Okay.

7

So that was false. You are not and never
were the trustee of Esturicol Trust, correct?

9

(Question translated by the

10

interpreter.)

11

A. (In English) The -- the trustee -- it's a
trust -- trustee, no, I -- I was -- no, I was
beneficiary.

14

Q. (BY MS. REED) Right. You were never the
trustee of Esturicol Trust?

16

A. Yes.

17

Q. So that first part of Paragraph 3 is
false?

19

(Question translated by the
interpreter.)

21

A. (In English) I made a mistake, yeah.

22

Q. (BY MS. REED) The next part of
Paragraph 3 says, "which is the beneficial owner of
certificates of deposit issued by the Stanford
International Bank on or around the following dates."

1

SALIM ESTEFENN

2

Do you see that?

3

A. Which? This one?

4

Q. The portion of the sentence that follows

5

"I am the trustee" --

6

A. Okay. Yeah.

7

Q. So you see the portion of Paragraph 3

8

which says that Esturicoll Trust is the beneficial

9

owner of certificates of deposit issued by the

10

Stanford International Bank on -- on or around the

11

following dates, and then there are dates listed --

12

A. Yes.

13

Q. -- correct?

14

A. Correct.

15

Q. Now, looking at Exhibit 118, it's clear

16

that you took the dates in 3(a), (b), (c), and (d)

17

from Exhibit 118. Do you see that they match?

18

A. Yes.

19

Q. So the first is your express account, 30

20

April 2002, right?

21

A. (Moving head up and down) Yes.

22

Q. Okay. Your express account was not a CD,

23

was it?

24

A. No.

25

Q. So that's another statement that is not

1

SALIM ESTEFENN

2

true in this declaration, Exhibit 127?

3

A. No, it's true. Yes, it is true.

4

Q. You never had -- Esturicol Trust never had

5

a CD?

6

A. No, no, no. I mean, it's -- it's true
that this is the date that -- of the express account.

7

Q. Right.

8

A. Yeah, it's true.

9

Q. But your -- but your declaration says
that's the date that the Esturicol Trust had a CD
issued by Stanford International Bank --

10

A. Yes.

11

Q. -- and that's not true?

12

A. It's not a CD, it was an express account.

13

Q. Right. So that statement, 3(a), is false?

14

A. It was another mistake, just that.

15

Q. Well, it's false, it's not correct --

16

A. Yes.

17

Q. -- right? So it's false.

18

Now, on 3(b), (c), and (d), it looks like
on Exhibit 128 you've added the issue date, the
original issue date, July 28, 1999, for example,
under (a), which transfers over from the original
3(b), then you added "last renewed on or around

1

SALIM ESTEFENN

2

August 18, 2008." Why did you add that?

3

A. Just to give information that we have

4

renewed that -- those -- those CDs.

5

Q. So when you filled this out in 2015, you

6

weren't aware that CDs that you originally had issued

7

in 1999 had been renewed after 1999?

8

A. I knew.

9

Q. Why didn't you include that information in

10

the first declaration?

11

A. Because I just put the information when it

12

was created, was opened the CD, not when it was

13

renewed, but I put the information of the date

14

when -- in --

15

(Witness speaking to the

16

interpreter in Spanish.)

17

A. (In English) On the day it was created.

18

A. (Through the interpreter) The date when

19

it was created.

20

Q. (BY MS. REED) Okay. Was it your idea to

21

add to each of the subparagraphs of Paragraph 3 the

22

last renewed on --

23

A. Was just to clarify.

24

Q. -- phrase?

25

I'm asking whether it was your idea --

1

SALIM ESTEFENN

2

A. It was --

3

Q. -- to add --

4

A. -- no, it was my lawyer idea.

5

Q. Okay. You also changed the language in
the body -- the body of Paragraph 3. Initially you'd
said, "The beneficial owner of certificates of
deposit issued by the Stanford International Bank on
or around the following dates." You changed it to,
"Certificates of deposit in the Stanford
International Bank including those CDs dated on or
around." You took out the "issued" language and
changed it to -- changed it to "CDs dated on or
around." Why did you make that change?

15

A. To clarify.

16

Q. Why does that make it more clear?

17

A. Because you see the date you open the
account, was opened the account, and the date it was
renewed, just to clarify.

20

Q. Whose idea was it to make that change or

21

was it your idea to make that change?

22

A. Yeah.

23

Q. It was your idea?

24

A. No, it was -- I mean, it was -- we spoke
about it and just you want -- we want to be -- to

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2 clarify.

3 Q. In Paragraph 4, you stated --

4 A. Excuse me. 127 or 128?

5 Q. Let's start with original --

6 A. Okay.

7 Q. -- 127. You wrote, "In relation to the

8 aforementioned SIBL CDS, I have submitted claims to

9 the United States receiver, Ralph S. Janvey,"

10 correct?

11 A. Yeah.

12 Q. And then you changed it to, in

13 Exhibit 128, "In relation to the aforementioned SIBL

14 CDS, the Esturicolo Trust and the Salesur Trust -- II

15 Trust have submitted claims to the United States

16 receiver, Ralph S. Janvey," correct?

17 A. Yes.

18 Q. And so is the Exhibit 128, the -- the

19 July 1st version --

20 A. Yes.

21 Q. -- is that correct?

22 A. Yes.

23 Q. And so the first version was not correct,

24 you didn't individually submit those claims?

25 A. Yes, just to clarify, the same case, just

1

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to clarify because I was not trustee of Esturicol. I

3

was --

4

Q. Well, to make it correct.

5

A. Correct --

6

Q. Right?

7

A. -- yeah.

8

Q. It's --

9

A. Was solving --

10

Q. -- not just to clarify --

11

A. Was solving my mistake.

12

Q. Right. So it's to make it correct?

13

A. Yes.

14

Q. Okay. So in Paragraph 4, you're

15

acknowledging that, in fact, you personally did not

16

submit the claims; the trust submitted the claims,

17

right?

18

A. Yes, I am the trustee and beneficiary,

19

but, yes.

20

Q. Right. Well, you changed it to say the

21

trust submitted the claims --

22

A. Yes.

23

Q. -- correct?

24

But in Paragraph 5, you kept the language

25

saying, "the receiver has recognized and allowed my

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claims." So you didn't change that to be the trust?

3

A. Yeah. Yes.

4

Q. Is that another mistake?

5

MR. MORGESTERN: Objection.

6

A. When I say my name, I refer to Esturicol
and -- and Salesur II Trust.

8

THE REPORTER: You refer to what?

9

THE WITNESS: I refer to Esturicol
and Salesur, the second.

11 Q. (BY MS. REED) But you acknowledge in
12 Paragraph 4 they're not your claims, they're the
13 trust's claims?

14 A. I know -- I know in this case, I referred
15 to -- when I said my claims, I referred to Esturicol;
16 and when I beneficiary and Salesur II when I am the
17 trustee.

18 Q. Well, I mean, you originally said "I've
19 submitted claims" and you change it to "the trusts
20 have submitted claims," but you didn't change
21 Paragraph 5, right?

22 A. Yes.

23 Q. Okay. And, in fact, on Paragraph 3, we've
24 established that, in fact, the Salesur II Trust has
25 been dissolved. And so it is still incorrect to say

1

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that you are the trustee for the Salesur II Trust,

3

correct?

4

A. Could you -- could you repeat it?

5

Q. I can. We established in Exhibit 122 that

6

showed the dissolution --

7

A. 122?

8

Q. 122. And you can pull that out, if you'd

9

like.

10

A. Okay.

11

Q. We established in Exhibit 122 that, in

12

fact, you revoked the -- the Salesur II Trust has

13

been revoked as of October 2014, correct?

14

A. Yes.

15

Q. And so even yesterday when you signed the

16

declaration swearing that you are the trustee for

17

this trust, it doesn't exist, does it?

18

A. Salesur, you mean?

19

Q. Salesur II.

20

A. Yes.

21

Q. Yes, it does exist or no, it doesn't

22

exist?

23

A. It doesn't exist anymore.

24

Q. Right. So this statement is still not

25

true, because you are not the trustee; this trust

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1

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2 doesn't exist?

3 A. Of Salesur, you mean?

4 Q. Salesur II.

5 A. Yes, it doesn't exist, but if you want to,

6 I can give you an explanation about this.

7 Q. First, I'd like you to just confirm for me

8 that statement --

9 A. Yes.

10 Q. -- is still not true.

11 A. Yes.

12 Q. So even when you corrected it yesterday,

13 this statement that you are the trustee for the

14 Salesur II Trust is still a false statement?

15 A. Yes.

16 Q. Okay. Paragraph 6 states, "I am willing

17 and able to take on the responsibilities demanded of

18 me as a class representative in this matter, as I

19 understand those responsibilities to include

20 attending deposition and trial and protecting the

21 rights of absent class members."

22 Do you see that sentence?

23 A. Yes.

24 Q. What are the responsibilities of a class

25 representative as you understand them?